

MINUTES OF THE
HENDERSON CITY COUNCIL
Regular Scheduled Meeting

March 24, 2026

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 Pace called the meeting to order at 6 p.m.

Council members present were Stephen Strong, Michael Searcy, Greg Jackson, Lee Scoggins, and Gina Juarez.

Staff members present were City Manager Jay Abercrombie, City Secretary Cheryl Jimerson, City Attorney Russell Brown, Chief of Police Chad Taylor, Fire Chief Sonny Ybarra, Director of Utilities Randy Boyd, Director of Utility Infrastructure and Delivery David Hortman, Community Development Manager/Building Official Cliff McElfresh, Finance Director Stephanie Kimbrell, Civic Center Manager Christina Gray, Main Street Coordinator Alexa Duke, Health and Code Officer Wes Breitenberg, Executive Leadership Assistant/HR Specialist Hillary Faulkner, Communications and Marketing Coordinator Phedra Johnson, and HEDCO Director Bret Gardella.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Council Member Greg Jackson gave the invocation, Mayor Henry Pace led the Pledges.

CITIZENS COMMENTS

Comments shall be limited to three (3) minutes and taken in the order they are received. By State law, no action may be taken on items not on the agenda.

Wayne Griffith with Griffith's Towing expressed concern regarding the city's wrecker service rotation ordinance.

PRESENTATIONS/ANNOUNCEMENTS

1. Annual Audit Presentation by Gollob Morgan Peddy, PC.

Annual Audit Presentation by Gollob Morgan Peddy, PC.

Kevin Cashion gave a synopsis of the 2025 audit results. He referenced page 7. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,511,624, a decrease of \$1,970,113 in comparison with the prior year. A significant reason for the decrease was a one-time insurance claim in the prior year from a hail-damaging storm. Page 19 exhibits 6 statements of revenues, expenditures and changes in the fund balance. The fund balance is down \$582,231. Those expenditures were a one-time expense for the beautiful building you're now in without having to borrow any money. Sales Tax is still trending down, Kevin recommends a budget amendment to adjust the revenue down to the actual collections. The property tax had a slight decrease, which is going to affect a lot of your 2026 budget.

Lee Scoggins asked questions regarding who audits the sales tax collections? City Manager Jay Abercrombie stated we hired a third party to audit the sales tax. They get paid if they find discrepancies. There were none. The overall decrease is just an economic shift.

CONSENT AGENDA

2. Consideration of possible action upon the minutes of February 17, 2026.

Council Member Gina Juarez made a motion to approve the consent agenda, duly seconded by Council Member Stephen Strong. The vote was unanimous.

COUNCIL BUSINESS – REGULAR SESSION

3. Consideration and possible action on Resolution 2026-03-01 electing to participate in tax abatement agreements, and establishing guidelines and criteria governing tax abatement for economic development prospects in the City of Henderson. (Jimerson)

City Secretary Cheryl Jimerson explained to Council the governing body of a taxing unit must call a public hearing on the proposed guidelines. The guidelines and criteria are in effect for two years after adoption and can be modified with a three-fourths vote of the governing body. The last time the guidelines and criteria were adopted was July 2022.

Council Member Gina Juarez made a motion to approve Resolution 2026-03-01 to participate in a tax abatement agreement, duly seconded by Council Member Lee Scoggins. The vote was unanimous.

4. Consideration and possible action entering into a tax abatement agreement with Velvin Production Company Inc. (Jimerson)

City Secretary Cheryl Jimerson explained to Council Pursuant to Section 312.207 of the Texas Tax Code, the following information is provided regarding the proposed tax abatement agreement for Velvin Production Company Inc.

Council Member Lee Scoggins made a motion to approve tax abatement agreement with Velvin Production Company Inc., duly seconded by Council Member Gina Juarez. The vote was unanimous.

5. Consideration and possible action upon renewing Ordinance 2021-05-01 extending the renewal for five years for the Industrial Park Reinvestment Zone. (Jimerson)

City Secretary Cheryl Jimerson explained to the Council a reinvestment zone has to be renewed before the expiration date of the approved five-year reinvestment zone. The renewal will only need one reading and will go into effect immediately.

Council Member Stephen Strong made a motion to renew Ordinance 2021-05-01, duly seconded by Council Member Lee Scoggins. The vote was unanimous.

6. Consideration and possible action on the re-appointment of James Holmes as the Municipal Court of Record Judge for a four (4) year term expiring April 2030 for the City of Henderson. (Jimerson)

City Secretary Cheryl Jimerson explained the Charter states that over which shall preside the Municipal Judge, whose qualifications shall be prescribed by the Laws of the State of Texas “who shall be appointed by a majority vote of the City Council on the recommendation of the City Manager or any member of the City Council.” The Laws of the State of Texas for a Court of Record Municipal Judge term can be two or four-year terms; This is determined by the City Council.

Council Member Gina Juarez made a motion to approve James Holmes as the Municipal Judge for a 4 year term, duly seconded by Council Member Lee Scoggins. The vote was unanimous.

7. Consideration and possible action upon Resolution 2026-03-03 adopting a Cybersecurity Policy. (Jimerson)

City Secretary Cheryl Jimerson stated the purpose of this Cybersecurity Awareness Plan is to establish a structured, practical, and scalable approach to cybersecurity awareness for the City of Henderson. This plan is designed to reduce cybersecurity risks, protect sensitive information and operational systems, and ensure continuity of water and wastewater services critical to public health and safety.

Council Member Lee Scoggins asked if there were procedures in place before writing this policy. City Secretary Cheryl Jimerson answered yes, TML has videos with a test at the end. Each employee that has access to the shared drive and email would do this annually sending the passed certificates to the City Secretary. The City Secretary would then sign off and submit the required form to the Texas Department of Information Resources.

Council Member Lee Scoggins made a motion to approve Resolution 2026-03-03 adopting a cybersecurity policy, duly seconded by Council Member Greg Jackson. Council Member Searcy abstained.

8. Consideration and possible action upon Resolution 2026-03-02 denying a rate increase from CenterPoint Energy for forty-five days. (Jimerson)

City Secretary Cheryl Jimerson explained to Council pursuant to applicable law, the proposed IRA will become effective on April 18, 2026, unless this Commission acts to suspend that date for a period of up to forty-five (45) days. The IRA approved by the Commission will apply to the current monthly customer charge and will remain in effect until superseded by the earlier of (1) the effective date of the Company's next annual IRA for the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas; or (2) the issuance of a final order in a formal rate-setting proceeding for the Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas.

Council member Lee Scoggins how much is the increase, and who governs the rates? City Secretary Cheryl Jimerson stated the Public Utilities Commission (PUC) governs the rates. Residential increase per month will be \$2.47, General Small Service \$4.18 per month, and General Large Volume \$55.23 per month.

Council Member Stephen Strong made a motion to approve Resolution 2026-03-02 for Searcy, duly seconded by Council Member Michael Searcy. The vote was unanimous.

9. Consideration and possible action upon updating authorized signatories on all City of Henderson accounts with all Financial Institutions by removing John Fullen, Rusty Chote, and Karen Arnall as authorized signers and adding Henry Pace as an authorized signer. (Kimbrell)

Finance Director Stephanie Kimbrell explained to Council that as part of maintaining proper internal controls and ensuring accurate authorization on all financial accounts for the City of Henderson, staff is recommending an update to the list of authorized bank signers.

Due to retirement and changes in administrative roles, it is necessary to remove John Fullen, Rusty Chote, and Karen Arnall as authorized signatories on all City bank accounts. Staff further recommends adding Henry Pace as an authorized signatory to ensure continued operational efficiency and compliance with banking and audit requirements. This update will ensure that the City's financial accounts accurately reflect current authorized personnel and maintain appropriate separation of duties and internal controls.

Council Member Gina Juarez made a motion to approve authorized signatures on all City of Henderson accounts, duly seconded by Council Member Greg Jackson. The vote was unanimous.

10. Consideration and possible action upon a minor plat application to replat Block 325 of the David Beard Subdivision to meet the needs of existing development at 420 and 430 US Highway 79 (Breitenberg)
Health and Code Enforcement Officer Wes Breitenberg recommended the Council approve a correction and a subdivision of one parcel into two parcels located at 420 and 430 US HWY 79 S.

Council Member Greg Jackson made a motion to approve the minor plat of the David Beard Subdivision, duly seconded by Council Member Michael Searcy. The vote was unanimous.

11. Consideration and possible action upon the HEDCO financials for the month of January 2026. (Gardella)

HEDCO Director Bret Gardella stated the sales tax decrease also affects HEDCO's financials. He also stated they have Placer/AI to track sales counts. Smaller businesses self-report; large businesses are required to report through this system.

Council Member Lee Scoggins stated that with the technology available today, we should be able to know where the point of sale is. How much did the Syrup Festival bring? Bret stated the point of sale is not where a business sets up temporarily but where they have their official address located. That is where the sales tax goes from the Texas State Comptrollers' Office.

Council Member Michael Searcy made a motion to approve HEDCO financials for the month of January 2026, duly seconded by Council Member Stephen Strong. The vote was unanimous.

12. Consider and take necessary action on Interlocal Agreement between HEDCO & Rusk County for Jet A Fuel at the Rusk County Airport. (Gardella)

.HEDCO Director Bret Gardella explained HEDCO shall contribute the sum of \$250,000.00 toward the Jet A Fuel System Project. The county shall return any used portion of HEDCO's contribution upon completion of the Project. HEDCO shall have no responsibility for the design, construction or operation of the Project.

Council Member Gina Juarez made a motion to approve the Interlocal Agreement, duly seconded by Council Member Greg Jackson. The vote was unanimous.

13. Consideration and possible action on Performance Agreement for Old School Services. (Gardella)

HEDCO Director Bret Gardella stated first, if OLD SCHOOL acquires the property and completes the construction and remodel at a cost of not less than \$1 million within twelve (12) months after the execution of this Agreement, HEDCO shall reimburse OLD SCHOOL \$50,000.00 of its demonstrated acquisition and construction costs.

Second, if OLD SCHOOL creates and fills ten (10) full-time employment positions in Henderson, Texas, including positions for engineers, sales professionals, administrative staff and laboratory technicians at a demonstrated average wage of not less than \$20.00 per hour.

During the first year of operations in the Headquarters, HEDCO shall reimburse OLD SCHOOL an additional \$50,000.00 of its demonstrated acquisition and construction costs.

Council Member Stephen Strong made a motion to approve the performance agreement, duly seconded by Council Member Michael Searcy. The vote was unanimous.

DEPARTMENTAL REPORTS:

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

Council had no questions or comments on the monthly reports.

A. City Manager

City Manager Jay Abercrombie updated the Council on the generator project supported by a grant stating, the generator will be on site by the end of May.

Council Member Lee Scoggins wanted to give a shout-out to Community Development Manager and Building Official Cliff McElfresh and Health and Code Enforcement Officer Wes Breitenberg on getting some overhead lines raised and secured. The citizens are very happy, thank you for your promptness.

Council Member Gina Juarez asked for an update on the proposed pickle ball courts. City Manager Jay Abercrombie stated the engineer is updating the plans, we will not be able to use the blacktop surface. The court will be concrete, the adjustment to the cost will reflect that, then a sign will be placed showing the future construction and fundraising that will need to be done.

Council Member Stephen Strong asked about the short list of streets that were not done. Jay Abercrombie stated Davis was not here this evening, but David Hortman will make sure Davis knows to send the short list to Stephen.

Council Member Lee Scoggins asked about repairs needed on Main Street. The Director of Infrastructure and Delivery, David Hortman, stated he has reached out to TXDOT about this but has not received any confirmation on when or if these repairs will be done, and if so, out of which budget year.

- 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 for January 2026.

- L. Director of Operations Departmental Reports below.
 - Civic Center
 - Main Street/Tourism
 - Municipal Court

BOARDS AND COMMISSIONS

- Board of Adjustments Minutes
- Planning and Zoning Minutes March meeting cancelled.
- Cemetery Board Meeting Minutes-No meeting
- Main Street Meeting Minutes
- Preservation Minutes
- HEDCO meeting minutes for February 2026.

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

EXECUTIVE SESSION:

15. Convene into executive session to consult with the City Attorney in accordance with Vernon's Texas Government Code Chapter 551, section 087. (Mayor)

Mayor Pace convened into executive session at 7:01 p.m.

REGULAR SESSION:

16. Convene into regular session and take necessary action as a result of the closed session.

Mayor Pace reconvened into regular session stating there was no action to take.

ADJOURNMENT

17. Adjourn

Council Member Lee Scoggins made a motion to adjourn at 7:20 p.m., duly seconded by Council Member Michael Searcy. The vote was unanimous.

ATTEST:


Cheryl Jimerson, City Secretary

APPROVED:


Henry Pace, Mayor