

MINUTES
CITY OF GAINESVILLE
CITY COUNCIL MEETING
200 South Rusk
Gainesville, Texas 76240
November 7, 2017

The City Council of the City of Gainesville, Texas met in regular session on November 7, 2017 at 6:30 p.m. with the following persons in attendance.

MEMBERS PRESENT: Mayor Jim Goldsworthy, Keith Clegg, Carolyn Hendricks, Ken Keeler, Mary Jo Dollar, Steve Gordon, Tommy Moore

STAFF PRESENT: Barry Sullivan, City Manager; Bill Harris, City Attorney; Caitlyn Huddleston, City Secretary; Kevin Phillips, Chief of Police; Dan Parker, Finance Director; Arlene Loyd, Gainesville Economic Development Corporation Executive Director; Julie Smith, Community Services

OTHERS PRESENT: John Hare, Sara Cheek, Scott Dougherty, Sue Scofield, Barry Otts, Laura Otts, Jeff Wilson, Glenn Ray Estes, Tawni Estes, Caleb Mendoza, Michele Burch, Nikki King, Mike Gordon, Trey Schalk, Megan Gray-Hatfield, Tony Dresser (Videographer)

CALL TO ORDER

Mayor Jim Goldsworthy called the meeting to order at 6:30 p.m.

INVOCATION & PLEDGE OF ALLEGIANCE

Pastor John Hare, First Presbyterian Church, gave the invocation. Mayor Jim Goldsworthy led the pledge to the flag.

REPORTS

Texas Transparency Stars Program

City Manager Barry Sullivan reported that the City of Gainesville recently received all five stars as part of the Texas State Comptroller's program for financial transparency. Gainesville is the fifth city in the state of Texas to receive all five stars, and the smallest city. Sullivan commented that this was a tedious process that required effort from both the Finance Department and the City Secretary. Financial Transparency efforts include making traditional finances, debt obligations, contracts and procurement, economic development, and public pension information more available to the public, so that citizens can see where the City stands financially. Citizens can review the webpages by going to www.gainesville.tx.us, and clicking on the Financial Transparency link on the left-hand side.

CONSENT AGENDA

Council reviewed the Minutes of the regularly scheduled City Council of October 17, 2017 and approved them as written.

Councilmember Clegg **moved to approve the consent agenda**, seconded by Councilmember Keeler, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

RESOLUTION 11-07-2017 – CANCELLING THE REGULAR CITY COUNCIL MEETING OF NOVEMBER 21, 2017.

CONSIDERATION OF AND ACTION ON A RESOLUTION CANCELLING THE REGULAR CITY COUNCIL MEETING OF NOVEMBER 21, 2017.

Council voted to cancel the upcoming November 21, 2017 regular City Council Meeting due to a lack of agenda items.

Councilmember Keeler **moved to approve the resolution**, seconded by Councilmember Dollar, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

ORDINANCE 1420-11-2017 - CONSIDERING ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF THE CITY OF GAINESVILLE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017, INCLUDING THE ADOPTION OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF SUCH CERTIFICATES, APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND AN ENGAGEMENT LETTER OF BOND COUNSEL.

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF GAINESVILLE, TEXAS, GENERAL OBLIGATION REFUNDING BOND, SERIES 2017, FOR REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY; CALLING SAID OUTSTANDING OBLIGATIONS FOR REDEMPTION PRIOR TO MATURITY; LEVYING AN ANNUAL AD VALOREM TAX FOR THE SECURITY FOR AND PAYMENT OF SAID BOND; AUTHORIZING A PAYING AGENT/REGISTRAR AGREEMENT; PROVIDING AN EFFECTIVE DATE; AND AUTHORIZING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID BOND.

Council adopted an Ordinance approving the sale of \$3,995,000 Combination Tax and Revenue Certificates of Obligation Bonds with an interest rate of 1.89%. Sara Cheek, Hilltop Securities, commended the City on their planning efforts, strong management, and budgetary flexibility, as all these things are crucial for lending. Ms. Cheek also noted that generally four bids for bond financing denote a high level of interest and the City of Gainesville received eight bids. Because of the low finance rate, the City will save almost \$338,318 total over the eleven year life of the bond.

Councilmember Clegg **moved to Suspend the Charter requirement of three readings**, seconded by Councilmember Moore, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

Councilmember Clegg **moved to Adopt an ordinance authorizing the issuance and sale of the City of Gainesville, Texas General Obligation Refunding Bonds, Series 2017 and enacting other provisions related thereto**, seconded by Councilmember Moore, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

PUBLIC HEARING ON AN ORDINANCE REVOKING A SPECIAL USE PERMIT GRANTED TO JEFF WILSON ALLOWING FOR THE OPERATION OF A BED AND BREAKFAST AT 205 MELODY LANE.

PUBLIC HEARING ON AN ORDINACNE REVOKING A SPECIAL USE PERMIT GRANTED TO JEFF WILSON ALLOWING FOR THE OPERATION OF A BED AND BREAKFAST AT 205 MELODY LANE; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; CONTAINING A SEVERABILITY CLAUSE AND MAKING AN OPEN MEETING FINDING.

Mayor opened the public hearing at 6:40 p.m. on the proposed revocation of a Special Use Permit issued to Jeff Wilson for the operation of a Bed and Breakfast at 205 Melody Lane.

Before calling for public comment, Mayor Goldsworthy explained that he had heard nothing but positive feedback on the B&B and that this could be a possibility to update rules. He explained that City Manager Barry Sullivan advised that Staff discovered violations of the permit and brought it Council for their consideration. Mayor Goldsworthy suggested Council table to ordinance to revoke the current permit so that staff could revisit.

Jeff Wilson, who identified himself as the owner of 205 Melody Lane, was first to speak. He reported that *360 Magazine* recently featured Gainesville businesses and that a full feature on Gainesville was also included in a July edition of the *Dallas Morning News*. Wilson also reported that Pat Dieter, owner of Dieter Bros. Restaurant in Lindsay, gave him an expensive bottle of wine as a thanks for the many customers who visited his restaurant after reading the Dallas Morning News article. Mr. Wilson went on further to explain that he has brochures for local dining and retail at the B&B and has been told by several stores in Gainesville that his guests have been their customers, as well.

Mr. Wilson also told Council of how Airbnb, a short-term rental service, screens guests and pays appropriate Hotel/Motel Occupancy Taxes to the state on his behalf. He requested Council reject Julie Smith's recommendation to revoke the permit.

Mayor Goldsworthy did interject to clarify Julie Smith was following the rules, albeit "antiquated", and doing her job. He explained that this is how the process is supposed to work.

Scott Dougherty, 1015 N Dixon, spoke next in support of Mr. Wilson's B&B, and of Airbnb's in general. Mr. Dougherty explained that he and his wife wished to and had rented out a room of their home for additional income, but were told to stop by the City, as they were not permitted. He gave numbers and quotes from other cities who were opposed to short-term rentals, such as Airbnb. They discovered a positive impact on tax revenues, tourism, and that it revitalized neighborhoods. Dougherty also advised of the concerns, like additional trash, lack of parking, but that the cities weren't receiving complaints on these subjects. He noted that when he approached the city to move forward with a B&B at his property, he felt discouraged and "shot down" by the city. He concluded that "shutting down 205 Melody Lane would be a mistake."

Councilmember Steve Gordon clarified that in her defense, Julie Smith was doing her job, and it was simple, Jeff Wilson got caught for violating the ordinance.

Sue Scoffield also spoke in support of allowing the B&B to continue and that she had renovated the house at 205 Melody Lane. She advised his [Mr. Wilson's] heart was in the right place and that as retail in Gainesville is tough, any additional advertising is great. She applauded Council's consideration.

With no further comments, Councilmember Clegg **moved to close the public hearing at 6:56 p.m.**, seconded by Councilmember Hendricks, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINACNE REVOKING A SPECIAL USE PERMIT GRANTED TO JEFF WILSON ALLOWING FOR THE OPERATION OF A BED AND BREAKFAST AT 205 MELODY LANE;

PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; CONTAINING A SEVERABILITY CLAUSE AND MAKING AN OPEN MEETING FINDING.

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINANCE REVOKING A SPECIAL USE PERMIT GRANTED TO JEFF WILSON ALLOWING FOR THE OPERATION OF A BED AND BREAKFAST AT 205 MELODY LANE; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; CONTAINING A SEVERABILITY CLAUSE AND MAKING AN OPEN MEETING FINDING.

Council voted to table the revoking of a Special Use Permit issued to Jeff Wilson allowing for the operation of a Bed and Breakfast at 205 Melody Lane. Mayor suggested tabling the ordinance so that current ordinances and rules could be reviewed and that Mr. Wilson could continue operations. Community Services Director Julie Smith confirmed that a work session for the Planning and Zoning Commission would be scheduled and open to the public to review the ordinance and then make a recommendation to Council.

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

ORDINANCE 1421-11-2017 - DESIGNATING THE WESTBOUND SHOULDER (NORTH SIDE) OF THE 1000 BLOCK OF WEST CALIFORNIA STREET (FM 51), LOCATED BETWEEN INTERSTATE 35 AND THE ELM CREEK BRIDGE, AS AN AREA WHERE THE PARKING OF VEHICLES WILL BE PROHIBITED.

CONSIDERATION OF AND ACTION ON THE FIRST READING OF AN ORDINANCE DESIGNATING THE WESTBOUND SHOULDER (NORTH SIDE) OF THE 1000 BLOCK OF WEST CALIFORNIA STREET (FM51), LOCATED BETWEEN INTERSTATE 35 AND THE ELM CREEK BRIDGE, AS AN AREA WHERE THE PARKING OF VEHICLES WILL BE PROHIBITED; PROVIDING FOR THE ERECTION OF SIGNS; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; PROVIDING FOR SUSPENSION OF THE CHARTER PROVISION REQUIREMENT OF READING ON THREE SEPARATE OCCASIONS; PROVIDING AN EFFECTIVE DATE; AND MAKING AN OPEN MEETING FINDING.

Council adopted an ordinance prohibiting parking on the north side of California Street (FM 51) in the 1000 block, near Dairy Queen. This was at the request of the Texas Department of Transportation, as there is an increase in traffic in this area due to additional commercial development and the parking restriction will increase safety both for vehicles and pedestrians.

Councilmember Keeler **moved to Suspend the Charter requirement of three readings**, seconded by Councilmember Moore, the motion carried by vote of 7 Ayes, 0 Nays, 0 Abstentions, 0 Absent.

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

EXECUTIVE SESSION

At 6:58 p.m. Mayor Jim Goldsworthy announced that Council would convene into Executive Session in compliance with Vernon's Texas Codes Annotated, Government Code, Chapter 551 (Open Meetings Act), to discuss the following:

Under Government Code §551.071 Attorney Privilege

RECONVENE INTO OPEN SESSION

Council reconvened into open session at 7:21 p.m. and Mayor Jim Goldsworthy announced no action was taken during executive session.

ADJOURN

With no further business to come before the City Council, the meeting was adjourned at 7:21 p.m.

Respectfully submitted,

Caitlyn Huddleston, City Secretary

Jim Goldsworthy, Mayor