**CITY OF COFFEE CITY**

**COUNCIL MEETING**

**AGENDA MINUTES**

**7019 Pleasant Ridge Rd.**

**Coffee City, Texas 75763**

**March 08, 2021**

NOTICE IS HEREBY GIVEN OF A MEETING OF THE CITY COUNCIL OF COFFEE CITY. TO BE HELD ON **Monday March** **08,2021**. **AT THE COFFEE CITY COMMUNITY CENTER, 7019 PLEASANT RIDGE ROAD,** COFFEE CITY, TEXAS. FOR THE PURPOSE OF CONSIDERATION OF THE FOLLOWING AGENDA ITEMS. THE CITY COUNCIL RESERVES THE RIGHT TO MEET IN A CLOSED SESSION ON ANY AGENDA ITEM SHOULD THE NEED ARISE AND APPLICABLE PURSUANT TO AUTHORIZATION BY TITLE 5, CHAPTER 551, OF THE TEXAS GOVERNMENT CODE.

THIS MEETING WILL BE OPEN TO THE PUBLIC, SOCIAL DISTANCING WILL BE OBSERVED DURING THIS MEETING.

THE ITEMS LISTED BELOW ARE PLACED ON THE AGENDA FOR DISCUSSION AND/OR ACTION.

1. **Call to Order.** */**Mayor Serrato called the meeting to order at 6 pm.*
2. **Roll Call and announce if quorum is present.** */**Roll call was taken by Nanette Moss, all council members were present, a quorum was determined.*
3. **Opening Remarks: Welcome to the City Council Meeting of Coffee City Texas** */**Mayor Serrato, thanked everyone for being at the meeting and welcomed the ones that drove from out of town to join in the meeting.*
4. **Consider and Act upon Consent Items: 5, 6.** */ Motion was made by Mayor Pro Tem Riley Standifer to accept item 4 as written, Councilman Ray Ver Hey seconded the motion. Motion carried unanimously.*
5. **Approve the Minutes from the City Council Meeting on February 08, 2021.**
6. **Approve City Financials February 2021.**
7. **Mayor Announces New City Secretary: Nanette Moss** */ Mayor Serrato introduced Nanette Moss as the new City Secretary, saying after interviewing quite a few applicants including Ms. Moss, it was his decision to hire Ms. Moss, as she had been contracted with the city since December, she was aware of happenings of the office position by helping out in that area until now. No questions from the Council were ask.*
8. **Swear in appointed Municipal Court Judge** */ City Secretary Nanette Moss swore in Judge Alan Rich.*
* *Alan B. Rich*
1. **Consider and Act upon: Appointing Reserve Police Officer: Aaron Poole, La’Carya Martin, Monica Palacios, & Cody Welch.** */ Mayor Serrato introduced the Reserve Police Officers, saying that actually Cody Welch would be sworn in as a Part Time Police Officer instead of a Reserve Police Officer. Councilman Swanson made the motion to accept the appointment of these Reserve Police Officers along with Officer Cody Welch being a part time Police Officer, Councilman Castleberry seconded the motion, the vote passed unanimously.*

1. **Swear in appointed Reserve Police Officers** */ City Secretary Nanette Moss swore in the following Reserve Police Officers along with the Part Time Police Officer.*
* *Aaron Poole*
* *La’Carya Martin*
* *Monica Palacios*
* *Cody Welch – Part Time Police Officer – 32 paid hours.*
1. **Consider and Act upon: Approving the EDC Bylaws** *(See Documentation) /****Mayor Serrato stated that he would move this item to the # 19 EDC Report place.***
2. **Consider and Act upon: Group M7 Website proposal** *(See Proposed BID) / Nanette Moss was asked to present the proposal for Group M7 for the new website consideration. Ms. Moss explained the current domain and website expenditures, along with having another individual maintain the website outside the city. Ms. Moss then explained the Group M7 quote, saying that with Group M7 the initial setup for the domain as well as the website it would be a one-time cost fee of 2,000. And the first yr. would free for hosting, 2nd year would be $35.00 a Month X 12 that would only be $420.00 vs. the 756.00 the city is paying now yearly. Ms. Moss also explained that with Group M7 she would be trained on how to maintain the website for the city instead of reaching out to someone outside the City. She also mentioned that Mary McDonald would be cross trained as well to help with the maintaining of the website if incase Ms. Moss was unavailable. Ms. Moss also explained to the council that she was experienced in this type of work as well. Mr. Castleberry asked for explanation on the initial setup procedure would intel. Ms. Moss explained the process of Group M7 building the website to the City’s specifications, with the forms, and any information needed to start the website.*

*Councilman Jones made the motion to accept the proposal from Group M7 with a second from Councilman Swanson, motion passed unanimously.*

1. **Consider and Act Upon: Approving the City’s New Holiday Calendar.** *(See Proposed Revision)* ***/*** *Mayor Serrato explained the current City Holiday Calendar, and asked the council to review the proposed City Holiday Calendar, so that the City could be on the same closing dates as the County.*

*Councilman Swanson made the motion to accept the proposed City Holiday Calendar, Councilman Castleberry seconded the motion, the vote carried as passed with Councilman Ver Hey (y) Councilman Swanson (y) Councilman Jones (y) Mayor Pro Tem Standifer (n).*

1. **Discuss the Governor’s update on GA-34, that fully opens all business and ends the state wide mask mandate.** */ Mayor Serrato discussed the GA-34 Governor’s Bill on opening up the City Hall Lobby area on Wednesday the 10th of March 2021, advising the Council and guests that the City was prepared doing so with plenty of hand sanitizer and protocols.*
2. **Review Micah Wolfe’s proposal for Lake Palestine Resort** *(See Attached) / Mayor Serrato discussed about this proposal being discussed in the last 2 EDC meetings, have a lot of disagreements with the proposal in their meeting even to where members where walking out during the discussion and leaving their meetings. Mayor Serrato asked that the Council review this proposal now and bring back up at a later date. Advised the council that if they had any questions that Mr. Wolfe was present and was able to answer any questions they might have. Mr. Wolfe spoke about needing a decision on this proposal at this meeting for he had a business decision to make, before having the decision being made at a later time, because he needed to get the project underway immediately. Councilman Castleberry asked Mr. Wolfe on what kind of decision was he asking for, Mr. Wolfe advised on approving this project or denying this project tonight and not tabling the item at hand. Councilman Ray Ver Hey asked the Mayor if Mr. Wolfe could make his presentation to the council so that all councilman would understand the proposal that was being presented for review. Mayor Serrato then advised the council that it was just being reviewed at this time, Mr. Wolfe stated that the proposal would be retracted if there could be no decision on approving the proposal at this meeting. Mr. Wolfe then advised that there had been a 60-day notice of this proposal to be considered, and had not received any questions from anyone on this proposal. Mayor Serrato advised Mr. Wolfe that he had received the paperwork proposal just last week after asking the EDC President Jim Beggerly to get this information to him after Mr. Wolfe presented this information to the EDC the first time, and it was just received last week, not 60 days ago. Mayor Serrato advised the council that Mr. Wolfe presented the paperwork after the last EDC meeting that was last Monday the 1st of March 2021.*

*Mayor Pro Tem, Standifer asked Mr. Wolfe who owned the property? Mr. Wolfe then advised the council that Lake Palestine Resort LLC, owner the property, with he himself Micah Wolfe being a managing member. Mayor Pro Tem asked where they were located and Mr. Wolfe gave the address (8900 Ruby Lane Frankston, Tx.) the resort property, Mayor Pro Tem Standifer asked was this the only RV Park this company owned? Mr. Wolfe replied yes sir at this moment. Mayor Pro Tem Standifer, asked that referring to the information in the packet saying that the resorts estimated income was based on full occupancy year around, Mr. Wolfe replied, no sir the financials presented was based on the current lodging, this was not actually full occupancy, from December and February you will see a decrease in the amount of income for the down season. Mayor Serrato stated that in a meeting that Mr. Wolfe, you were not the actual owner? Mr. Wolfe said that he was a managing member of the LLC, at a complete legal capacity to execute any binding legal matters as far as a managing partner. Mayor Serrato then stated that we still don’t have the actual owner of the property, Mr. Wolfe said that if you were dealing with Wal-Mart, they would not disclose their investing partner’s either, Mayor Serrato stated he wasn’t talking to Wal-Mart. Mr. Wolfe stated that he had authority to execute the deed for the property and bind any property needed for the project proposed. Mayor Pro Tem Standifer asked Mr. Wolfe if he was needing the council to approve the loan tonight in this meeting? Mr. Wolfe stated that he needed to make a business decision and asked that the council consider making a decision this evening at this meeting, ask also that if a decision couldn’t be made at this meeting tonight that a special meeting be called to approve the proposed projected loan from the EDC of $177,000.00. Ron Hunter asked what would the City get out of this proposal besides the HOT Tax? Mr. Wolfe stated that the City would receive the revenue from the HOT Tax as well as 2% of his sales tax, after the agreement has been fulfilled the City would not get the 2% from his sales, if the City chose not to accept the proposal then the city would lose the extra revenue from the 2% sales tax. A concerned citizen asked that she was unaware of what the proposal was, asking that she assumed that Mr. Wolfe was asking for a loan from the City? The Mayor replied yes ma’am, she then asked why would Coffee City provide a loan for someone who wasn’t even in the City limits? Why is it not focused on people who are in the City? Councilman Ver Hey stated that Mr. Wolfe was inside the ETJ, and he also pays HOT Tax. Mayor Serrato asked Councilman Ver Hey to refrain from speaking on this matter, as Councilman Ver Hey was also a member of the EDC. Pam Drost stated the 2% recoupment from the taxable sales is not income to the City it’s repayment of the loan of $177,000.00, when the loan is repaid there will be no more income to the City, there will only be income going into the Hotel Tax Account, which has limited use even through the EDC. Ms. Drost said that the statement made about the City losing income from the 2% Taxable sales, she didn’t think was a valid statement. Councilman Ver Hey asked the concerned citizen if their questions were answered? She then replied yes and no, she never knew that business’ in the City was eligible for money through the EDC, Councilman Ver Hey said that there had no one come forward asking for any money other than Mr. Wolfe at this time. The concerned citizen then said she never knew that this offer was ever available through the EDC. Geo Jan Wright then said she would like to clear up one point because she knew Micah was trying to get an answer for his proposal, even if the Council was to Consider and Act Upon this proposal, the statues states that there still has to be a 60-day period of time for the citizens of Coffee City to be notified so that they can object to the proposal. Mayor Serrato then asked Mrs. Wright 60 from the time of the proposal or the time that the Council approves the project. Ms. Wright said yes, 60-days from the time the Council approves the project.*

*There was another citizen that asked why wouldn’t Lake Palestine Resort annex into our City so that the City could collect the sales tax? Mr. Wolfe said that was not part of his proposal or was it asked by the EDC to do so, at this time that is definitely something that Lake Palestine Resort is interested in, providing that the City can provide adequate services the business needs. Councilman Swanson said that he had a concern that Mr. Wolfe said, “The City, did not inform?” Councilman Swanson said, this was the first time the Council has seen this proposal, that Mr. Wolfe had been dealing with the EDC, which this council has to approve anything that goes through the EDC, so this City hasn’t done anything yet, as far as what Mr. Wolfe just made the statement on. Mrs. Wright spoke to say also that the proposal has to have 2 public readings of the resolution of the proposal of whatever the council accepts, or approves, to go along with the 60-days’ notice. Councilman Ver Hey expressed his opinion on letting Mr. Wolfe present his proposal to the public here at this meeting, so the citizens that were in attendance would understand what was being discussed at this time. The Mayor then invited Mr. Wolfe to come forward to make his proposal presentation. Mr. Wolfe explained the highlights of the project that include a $177,000.00 contribution from the City that would be 20% of this project, he stated that the total project was $887,000.00. Mr. Wolfe said that he had 80% of the project covered through other funding, was just needing the council’s approval for the 20% needed to proceed with this proposed project, this project would allow him to place 8 additional cabins on the property, he also added that with this project it would create 2 part time jobs, and the City would continue to collect HOT tax after this project was paid in full. He also added that he was wiling to place the City on the Deed of Trust, and that the project would be paid back at 100% of the loan. Mr. Wolfe than explained how the cabins would be built, along with the landscaping around the units. He also added that this project would be paid back within a 6-year time limit.*

*Mayor Serrato then asked about the tax records on the property from recent years, that in 4 years past there was 24K in taxes collected and Mr. Wolfe proposed that there would be 23K in just one year, Mayor Serrato asked Mr. Wolfe could he explain how he thought he could get that much in one year vs. the 4 years past. Mr. Wolfe stated that it was a direct investment on these 8 cabins, he explained that in 1 calendar year this was what they expect for the increase. Councilman Castleberry asked Mr. Wolfe about what kind of collateral he would put down for the loan, Mr. Wolfe then stated that he would place the City on the Deed of Trust and the City would be a Lien holder on the property. Mr. Wolfe also stated that he would guarantee the money to be paid back within the 6-year period even if he had to pay out of his own pocket for this to be paid off.*

*Councilman Ray Ver Hey made a motion to accept Micah Wolfe’s proposal for Lake Palestine Resort that the EDC has brought forward, Mayor Serrato stopped Councilman Very Hey saying that he could not make a motion for the fact this item was for review and discussion only not a consider and act upon item.*

*Mrs. Castleberry spoke to say after her attending an EDC meeting that it was her understanding that the money being loaned for the project was just for building the cabins and not for the furnishings.*

*Councilman Jones said that after reading through the proposal that he read that it would be an investment for the EDC, in his opinion an investment is where you make money, and by going by the proposal that would be making money it would just be paying the loan back. Then it was explained that the EDC is a 501C (3) Non-Profit Cooperation that was not to make money. It was the purpose of the EDC to help bring businesses into the City, or to help businesses. Councilman Ver Hey stated that it would not be proper to ask for interest, as that would be considered a profit.*

1. **Open Forum:**
* Open Forum may contain any suggestions and ideas about the City.
* Complaints must be in writing. Forms are available at City Hall Lobby.
* Speakers will be given 3 minutes to speak.
* Speakers must sign in prior to speaking.

*Any person that is unable to attend and wishes to submit questions to the council can e-mail the questions to the City Secretary at* *citysecretary@cityofcoffeecity.com*or Mayor Serrato; Mayor.Serrato@Cityofcoffeecity.com

3 Community members signed up to speak during the open forum:

Geo Jan Hunter (Wright) – Ron Hunter – Micah Wolfe

Geo Jan, spoke of her concerns about the EDC not following the state statues, as well their rules and regulations. Concerns for no Standard Operating Procedures, for such proposals as the one that has been brought before the Council this evening. She asked that these things be brought up to standard with the EDC for futures projects so the confrontations wouldn’t be demanding. Requested that the Council not take any action on this proposal until the EDC was brought up to the required statues.

Ron Hunter, said he would like to know what the EDC has done for the City period, in the last 6 years, since he’s been a resident. He also stated that as far as he was aware the EDC has done nothing for the City, not one thing. He suggested that there was a lot of things that the City could use as far as the Citizens in the City could benefit from, as in example, finishing the Community Center out, a City Playground, or funding a road that was in bad need of repairs, or even having a paid employee on the Fire department staff so that residence didn’t have their homes burn to the ground by the time a fireman responded. He said that he didn’t understand why the EDC wanted to loan money for a project that they would only be getting their own money back.

Micah Wolfe, wanted to inform the community about the EDC, how they are voted in as with council approval, their funds are for helping with the Economic development of the City, and not a slush fund for the roads. To encourage new businesses to locate to our City.

1. **Mayor's Report.** */ Mayor Serrato, thank the attendees for their patient on getting through these agenda items, he appreciated the community coming forward with their questions and concerns for the City.*
2. **City Secretary's Report.** */ Ms. Moss stood to say there was nothing to report at this time since she came into the position on the 15th of February, she also said that she was looking forward to working with the Council as well as the Citizens of the City.*
3. **EDC Report.** *Mayor Serrato explained that the # 11 Agenda item (EDC By Laws) was moved to this item number since it all pertained to the EDC. – Mr. Beggerly spoke to say that traditionally the EDC Report started off with a financial report, he asked Ms. Atteberry to give that report. Ms. Atteberry stated that at the beginning of February they had in the Sales Tax Account $428,823.34 on February 24, 2021 Balance was $433,895.04 in the HOT Tax Account beginning balance was $64,266.08 current balance is $66,291.12. Ms. Atteberry also explained that the reason that the council was getting the report like it looks was for the fact that their computer at City Hall had been moved and off line where she couldn’t get the normal report like the council was used to seeing monthly, but now that the computer was back on line at the City the council would start receiving their normal reports as before. Mayor Serrato asked that if the City could look over the files that are located in the EDC file cabinet? Mr. Beggerly asked the Mayor what was the exact thing he wanted to see from the file cabinet, the Mayor stated it’s a simple yes or no answer. Mr. Beggerly asked if the Mayor wanted the file cabinet opened so that all the files could be looked over? Mayor Serrato said, “Yes Sir”, was that possible or not? Ms. Atteberry said that the files were not in any order, the Mayor, said that didn’t matter he just wanted to know if the City could see these files. Mr. Beggerly then said yes sir you may go through our files as long as one of the EDC members was present at the time, either being Ms. Atteberry or Ms. Bivens. Mr. Beggerly, stated that when took on the position of the president that he started going through the statues and bylaws that he was aware of and making these up for the EDC, realizing the restrictions that the EDC operated under. The EDC wasn’t aware of they could reach out to businesses for helping with improving their businesses, that wasn’t clear to them at the time. Mr. Beggerly stated that he was willing to suspend any operations of the EDC for several months until this matter has gotten resolved, and they would be willing to sit down with the Council and work these things out and work with the rules that the Council would be happy with, but he would suspend the EDC operations for 6 months and nothing would happen until a decision was made by both parties on an agreement of operating procedures. Mayor Serrato asked Mr. Beggerly was he willing to suspend Mr. Wolfe’s proposal? Mr. Beggerly said, No I’m not that is an on-going proposal. Mayor Serrato then made clarity about the EDC Minutes stating that the Mayor had banned the EDC Secretary from the City Hall. Mayor Serrato said that he had banned NO ONE from City Hall. Also, it was noted that supposedly the Mayor stated in an EDC meeting that he wasn’t his job to go out and look for businesses, he clarified that it was the EDC’s position to look for new businesses to come into the City.*

**Bylaws:***/ Mayor Serrato informed the Council they had two copies of Bylaws in their packets, the first was the original bylaws for the EDC with a year of 2000***,** *and another copy of a bylaw that the EDC was asking for approval on, which needs to be revised. Mayor Serrato advised Mr. Beggerly that the Bylaws were not being followed, Mr. Beggerly asked what bylaws, Mayor Serrato said the original one’s from 2000, Mr. Beggerly stated that he wasn’t aware of any bylaws from that year, that when he took over as President of the EDC, they couldn’t find any bylaws, they didn’t know where they were. He said finally a copy was found back in either spring or summer of 2019. He also informed the Mayor that the EDC didn’t exist on year 2000, Mayor Serrato advised that with Micah’s proposal and the attorneys advise these bylaws were not being followed, and according to the City Auditor the bylaws that he was going by was the year 2000, and the EDC was trying to go by a set of bylaws that had not been approved through the council, and the auditor informed the EDC that until a new copy was presented to the Council and approved , he the auditor had to go by what he had as copy which are the Year 2000. Some of the votes and decision that have been made by the EDC were not consider adequate for voting and approving according to the City Attorney.*

1. **Municipal Court Report.** */ Judge Rich, gave the report that next month he would have a more detailed report following once he gets settled in better here at the City. There were 2 things that he wanted to touch base on 1 was recently the Supreme Court issued it36th emergency order, possible with a reasonable way again to hold court with the modification to the plan to be approved by the administrative Judge for this region. 2nd was that the City no longer had a prosecutor for this area, the gentleman that was the prosecutor has left the office, Judge Rich explained that he has reached out to the District Attorneys office for an appointment of a prosecutor and he hasn’t heard back on anything yet, if he runs into a road block with them, then he would reach out to the County Prosecutors office for appointment.*
2. **Police Report:** *Chief Tobey gave the report on how many calls that were taken for the month of February with a break down of these calls, as well as the maintenance issues still with the PD Units that either have been fixed or being fixed at this time.*
3. **Fire Dept. Report** *Chief Moore gave the report with a breakdown of how many calls that were worked as well has the weather issue that occurred, and how many accidents and assist they had worked. He also stated about the CPR Training that took place, as well as other training is being scheduled for the fire fighters.*
4. **Adjournment.** *Mayor Serrato called for adjournment, Councilman Swanson made a motion to adjourn with Councilman Castleberry seconded, motion carried unanimously the meeting was adjourned at 7:45 pm.*

The City Council of the City of Coffee City reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any matters listed on the agenda, as authorized by the Texas Government Code, including, but not limited to, Sections 551.071 (Consultation with Attorney), 551.072 (Deliberation about Real Property), 551,073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberation about Security Devices), 551.087 (Economic Development), 418.175-183 (Deliberations about Homeland Security Issues) and as authorized by the Texas Tax Code, including, but not limited to, Section 321.3022 (Sales Tax Information).

**CERTIFICATION**

I CERTIFY THAT A COPY OF THE MONDAY MARCH 08, 2021 CITY COUNCIL MEETING AGENDA OF ITEMS FOR CONSIDERATION BY THE COFFEE CITY, CITY COUNCIL WAS POSTED ON THE CITY HALL FRONT WINDOW AND CITY WEBSITE ON FRIDAY, MARCH 05, 2021 AT 4PM.

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