

**MINUTES**

A regular meeting of the City Council of the City of Pinehurst was held on January 14, 2020 at 6:00p.m. in the City Hall. A quorum having been established, Mayor Dan Mohon called the meeting to order with the following council members present: Sarah McClendon, T.W. Permenter, John Zerko, J. Michael Shahan and Cynthia Adams. The following business was transacted.

On a motion made by Councilman T.W. Permenter and seconded by Councilman John Zerko, council members unanimously voted to approve the minutes of the Regular Session held on December 10, 2019.

At this time, council members reviewed the budget expenditures for October 2019. City Secretary Debbie Cormier began by noting that there were no capital outlays during that month. She continued by saying that the revenues for the General Fund were approximately \$10,000 more in October 2019 versus October 2018. She attributed the difference to an increase in Sales Tax and Court Fines. She advised that the Garbage Fund was ahead of the previous year by about \$2,500. She informed that the Water & Sewer Fund was leading the prior year by approximately \$9,000. Overall, she stated that revenues for October 2019 were greater than revenues for October 2018 by slightly less than \$22,000. Ms. Cormier commented that the year-to-date expenditures far exceeded the year-to-date revenues in the General Fund. She explained that all of the City's insurance premiums were due in October each year and stated that October was probably the worst month of the entire fiscal year in terms of expenditures. In addition, she stated that there were three payrolls in October 2019 rather than the normal two payrolls per month. She advised that revenues exceeded expenditures in the Garbage Fund by about \$5,000. She informed that the expenditures exceeded the revenues in the Water & Sewer Fund also. Again, she attributed the excess expenditures to insurance premiums and an extra payroll. Ms. Cormier pointed out that the reserves in every fund had dropped from the September 2019 figures. She explained that October 2019 started a new fiscal year and a new, and larger, budget. She noted that a larger budget meant a larger recommended cash amount which in turn negatively affected the reserves figure. She remarked that the City had 6.39 months of overall reserves in September 2019 and now had 6.09 months of reserves, or about one quarter of a month less. Council members had no questions regarding the financial report.

No one signed up to address the Council under the Citizen Comments section of this agenda.

Keri Michutka, CPA presented the results of the FY18-19 annual audit. She began on Page 2 of the Financial Report with the Independent Auditor's Report, which stated that she was issuing an unmodified, or clean, audit opinion. She continued with Page 14 and noted that the City had a General Fund balance of \$1,595,259 as of September 30, 2019. On Page 16, she advised that the Net Change in Fund Balance for the General Fund was an increase of \$62,973. On Page 18, she informed that the Total Net Position for the Water & Sewer Fund at September 30, 2019 was \$4,279,566 and the Sanitation Fund was \$345,892 for a total of \$4.6 million in the enterprise funds. Page 19 reflected a \$150,351 decrease in Net Position for the Water & Sewer Fund which Ms. Michutka attributed to depreciation expense. She stated that the Sanitation Fund had an increase of \$86,000 resulting in a Total Net decrease of \$64,000 in the enterprise funds. She

directed attention to Page 27 of the report which showed the City's deposits at September 30, 2019 as \$3,487,190. On Pages 30 and 31, she noted that the Net Capital Assets of the Governmental Activities were \$1,177,212 and the Net Capital Assets of the Business-Type Activities were \$3,468,775 on September 30, 2019. On Page 34, she pointed out that the long-term liabilities for the Governmental Activities were \$2,157,910 and the long-term liabilities for the Business-Type Activities were \$962,449. Recapping, she stated that this was a good, clean audit and the City had a good year. Council members had no questions for Ms. Michutka. On a motion made by Councilman T.W. Permenter and seconded by Councilman J. Michael Shahan, council members unanimously voted to accept the Annual Audit as presented by Keri Michutka, CPA for fiscal year ending September 30, 2019.

Under the Department Head Reports section of this agenda, Water/Wastewater Field Supervisor Charles Spain reported that the City had completed its 2019 SSOI agreement. He advised that the agreement called for replacing 565 feet of sewer line and 4 manholes in addition to correcting numerous infiltration and inflow problems throughout the year. He noted that the new sewer lines were replaced at the end of Enchanted Oaks. City Administrator Robbie Hood reminded council members that this agreement was with Texas Commission on Environmental Quality. He stated that once the City received the \$6.8 million grant from the General Land Office, crews would be replacing sewer lines throughout the City and the City could opt-out of the SSOI agreement.

Public Works Director John Toney reported that the dog park opened and was being well utilized. Mr. Toney advised that the Lions Club had planted pecan trees in several of the city's parks. He stated that eight trees were planted at the dog park; six were planted at West Park; and several were planted at other city parks.

Code Enforcement Officer Harry Vine reported that his department issued 228 permits for total revenue of \$8,795.35 during 2019. Mr. Vine stated that he and Justin Trahan had compiled a list of properties on which they planned to file liens in the coming weeks. He noted that his department was also working on several properties that needed to be demolished. He stated that two structures on 33<sup>rd</sup> Street had finally been demolished by family members. He informed that the property at 924 – 28<sup>th</sup> Street had been purchased at auction by the adjoining property owner, Mr. Salazar. He advised that Mr. Salazar intended to rehabilitate the structure but was waiting on clear title. Mr. Vine commented that he was still working with Mr. Ashford, owner of TRES, to bring his property into compliance with city ordinances. He noted that Mr. Ashford had made some progress but there was still more that needed to be done. Mr. Vine explained that he was working with the owner of the property at 29<sup>th</sup> Street and West Park. He stated that the owner was planning to close his lawnmower repair shop. Mayor Mohon suggested that Mr. Vine give the property owner until March 31 to have the property clean. Councilman T.W. Permenter asked Mr. Vine to check on the properties at Pelican & 34<sup>th</sup> Street and Pheasant & 35<sup>th</sup> Street and have the owners clean up their properties.

Police Chief Fred Hanauer reported that the police department responded to 385 calls, including traffic stops, in December 2019. Chief Hanauer advised that his department had applied for and would be receiving several TxDOT grants for traffic enforcement. He stated that officers will work some of their days off, at their overtime rate, and TxDOT will reimburse the City. He noted

that the City would retain any revenue obtained as a result of citations issued in this endeavor. He informed that he was considering bringing onboard a potential reserve officer who was also SWAT certified and had 27 years experience in law enforcement. He advised with the addition of this officer, the department would have five certified SWAT officers. Lastly, he noted that the new patrol vehicle was at the dealership and in line to be outfitted. He stated that he hoped to take delivery within six weeks.

Fire Chief Shon Branham reported that attendance and compliance with new by-laws had increased recently. Chief Branham advised that his department had hosted a Stop the Bleed class in December. He stated that the police department and employees of the Operations & Maintenance yard had been included in the training. He reported that there were three personnel in the fire department that still needed to complete the Firefighter 1 program. Chief Branham informed that construction of the new 15' x 20' meeting room/classroom would begin in February. He noted that the department would be conducting a Fill-a-Boot campaign on January 25<sup>th</sup> at the intersection of Martin Street and Strickland Drive. He finished by saying that there were 68 calls in September, 34 calls in October, 39 calls in November, and 42 calls in December. He stated that the total calls for 2019 were 595.

Regarding the discussion and possible action on approving the election of the Fire Chief and Assistant Fire Chief for the Pinehurst Volunteer Fire Department, Chief Branham introduced all of his officers. On a motion made by Councilwoman Cynthia Adams and seconded by Councilman T.W. Permenter, council members unanimously voted to approve the election of Fire Chief Shon Branham and Assistant Fire Chief Jayson Wells.

At this time, City Attorney Tommy Gunn administered the Oath of Office to Fire Chief Shon Branham, Assistant Fire Chief Jayson Wells, Captain 1 Mike Wiley, and Captain 2 David Wagstaff.

On consideration of revising and/or readopting the City of Pinehurst Investment Policy and approval of the corresponding Resolution, City Secretary Debbie Cormier advised that the policy had to be reviewed and readopted annually. She stated that she and City Administrator Robbie Hood had reviewed the policy and saw no need for any changes at this time. She recommended that council members readopt the existing policy with no changes. On a motion made by Councilman J. Michael Shahan and seconded by Councilwoman Sarah McClendon, council members unanimously voted to readopt the City's Investment Policy.

Regarding the discussion and possible action on continuing, abolishing, or modifying the City of Pinehurst Curfew Ordinance (No. 2005-01, 2008-03, 2011-01, 2014-01, & 2017-01), Police Chief Fred Hanauer explained that this ordinance required re-approval every three years. He noted that the existing ordinance still fit the goals of Pinehurst. Chief Hanauer recommended approval with no changes. On a motion made by Councilman T.W. Permenter and seconded by Councilwoman Cynthia Adams, council members unanimously voted to re-approve this ordinance.

On consideration of ordering a Municipal Election to be held on May 2, 2020 for the purpose of electing one (1) Mayor – 2 year term, two (2) Alderpersons at Large – 2 year terms, and one (1)

Aldersperson at Large – 1 year unexpired term, City Secretary Debbie Cormier explained that this order would be for a General Election and a Special Election. She stated that both elections would be held on May 2, 2020. She noted, according to Type-A General Law, when a council member is appointed to an unexpired term, the city must conduct a Special Election at the next regular election for that position. She stated that the seat currently held by Councilman J. Michael Shahan would need to be put on the May 2, 2020 ballot for the 1 year unexpired term. She noted that all of the other positions would be for two year terms. Ms. Cormier advised that the seats up for election, in addition to Alderman Shahan's seat, would be those currently held by Mayor Dan Mohon, Alderman John Zerko, and Alderwoman Cynthia Adams. On a motion made by Councilwoman Sarah McClendon and seconded by Councilman J. Michael Shahan, council members unanimously voted to order the General Election and the Special Election to be held on May 2, 2020.

Regarding the discussion and possible action on entering into a Joint Election Agreement Services Contract between the Orange County Elections Administrator (Administrator) and select political subdivisions of the State of Texas (Entities) for the purpose of authorizing the Administrator to conduct and supervise the City of Pinehurst's General and Special Election to be held on May 2, 2020, City Secretary Debbie Cormier explained that this agreement took the place of all three election agreements from previous years. She noted in previous years the Council was required to approve a Joint Election Agreement, a Service Agreement with Orange County, and a rental agreement for electronic voting machines. She stated with the acquisition of the new voting machines, almost everything election related was now handled through Orange County Elections Administrator Tina Barrow. On a motion made by Councilman T.W. Permenter and seconded by Councilwoman Sarah McClendon, council members unanimously voted to approve the agreement.

On consideration of approving an Ordinance authorizing participation with other Entergy service area cities in matters concerning Entergy Texas, Inc. at the Public Utility Commission of Texas in 2020, City Attorney Tommy Gunn explained that this ordinance was required annually. Mr. Gunn advised that Pinehurst was part of a Coalition of Cities represented by the Lawton Law Firm in Entergy rate matters before the PUC. On a motion made by Councilwoman Cynthia Adams and seconded by Councilman T.W. Permenter, council members unanimously voted to approve the ordinance.

Under the Announcements, Comments, and Requests from Council section of this agenda, Councilman T.W. Permenter extended an invitation to the Precinct 2 County Commissioner and Orange County Judge to come update the City Council on things happening in our area.

City Administrator Robbie Hood reported that the Orange County Economic Development Corporation recently hired Megan Romero as its Business Development Manager.

Mayor Mohon suggested getting the Chamber of Commerce to conduct a ribbon cutting at the Pinehurst dog park. Mr. Hood stated that there were a few minor things left to do prior to a ribbon cutting ceremony and suggested waiting about a month.

**MINUTES**

**JANUARY 14, 2020**

City Administrator Robbie Hood reminded council members of the upcoming South East Texas Regional Planning Commission Annual meeting on January 16, 2020. He told council members that everyone would be meeting at City Hall at 5:15p.m.

There being no further business to transact, Mayor Mohon adjourned the meeting at 7:03p.m.

/s/ Dan Mohon

Mayor

/s/ Debbie Cormier

City Secretary