

**MINUTES**

A regular meeting of the City Council of the City of Pinehurst was held on July 9, 2019 at 6:00 p.m. in the City Hall. A quorum having been established, Mayor Joseph L. Runnels called the meeting to order with the following council members present: John Zerko, T.W. Permenter, Dan Mohon, and Cynthia Adams. Councilwoman Sarah McClendon was absent. The following business was transacted.

On a motion made by Councilman Dan Mohon and seconded by Councilman T.W. Permenter, council members unanimously voted to approve the minutes of the Regular Session held on June 11, 2019 and the Special and Workshop Session held on June 20, 2019.

At this time, Council members reviewed the budgeted expenditures for May 2019. City Secretary Debbie Cormier advised that there were no capital outlays for May 2019. She reported that revenues for the General Fund were running behind the May 2018 figure by almost \$33,000. She noted that the shortfall was due to property tax revenues and insurance reimbursements received in the prior year. She called attention to the total revenues line of the Garbage Fund and stated that this fund was ahead of May 2018 by approximately \$31,000. She commented that the Water/Sewer Fund was ahead of May 2018 by almost \$14,000. When comparing the total revenues of all funds combined, she advised that May 2019 was ahead of May 2018 by about \$12,000. Ms. Cormier went on to say that year-to-date revenues exceeded expenditures in every fund except Water/Sewer Fund. She noted that expenditures exceeded revenues in that fund by slightly more than \$9,000. She explained that the deficit was not bad considering all of the required but unexpected expenditures in that fund this year. She stated that overall revenues exceeded overall expenditures by almost \$170,000 year-to-date. She summarized by saying that the City had 6.45 months of reserves in April 2019 and now had 6.44 months of reserves; virtually unchanged. Council members had no questions regarding Ms. Cormier's financial report.

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

On consideration of approving the appointment of Jayson Wells as Assistant Fire Chief of the Pinehurst Volunteer Fire Department (PVFD), City Administrator Robbie Hood explained that previous Assistant Fire Chief Samuel Johnson resigned due to personal matters. On a motion made by Councilman T.W. Permenter and seconded by Councilman John Zerko, council members unanimously voted to approve the appointment of Jason Wells as the Assistant Fire Chief of the PVFD. Upon confirmation of his appointment, City Attorney Tommy Gunn administered the oath of office to Mr. Wells.

On consideration of approving an Ordinance amending the Code of Ordinances Chapter 18, Article II, Section 18-43, Permit Fees and Appendix B of said Code, Code Enforcement Officer Harry Vine advised that the legislature had amended a section of the Local Government Code dealing with permit fees. He stated that a municipality could no longer consider costs of residential construction or improvements when determining permit fees. He noted that the new law only applied to residential, not commercial, buildings. Mr. Vine reported that he and other area building officials had met to determine the method for calculating a new fee schedule. He

advised that the new permit fee would be based on \$0.40 per square foot for living areas and \$0.20 per square foot for other areas such as garages, carports, and covered patios. He called attention to the detailed fee schedule printed in the aforementioned ordinance. Mr. Vine recommended approval of the ordinance. He stated that the ordinance would take effect after meeting the publication requirements, which would be about one week. On a motion made by Councilman T.W. Permenter and seconded by Councilman Dan Mohon, council members unanimously voted to approve the ordinance.

On consideration of approving a Resolution setting FY2019-2020 rates for solid waste disposal, brush and limb disposal, and commercial container service, Ms. Cormier advised that the City would be receiving a 3.72% across the board increase from Republic Services. She stated that all of the figures in the Resolution represented a 3.72% increase to the customers with the exception of additional polycarts. She noted that the polycart charge increase was slightly more than 3.72% because the cost was not in line with where it should have been. On a motion made by Councilwoman Cynthia Adams and seconded by Councilman T.W. Permenter, council members unanimously voted to approve the Resolution.

City Administrator Robbie Hood explained that the City was considering entering into a lease agreement with Enterprise Fleet Management (EFM) to lease new vehicles for several city departments. He advised that capital equipment requests for three new vehicles in General Fund totaled almost \$90,000 for the FY19-20 budget. He noted that the lease would allow the City to obtain four new vehicles in General Fund for approximately \$15,000/yr. and that included a vehicle maintenance agreement. He stated that the additional vehicle would be an Administrative vehicle. He informed that the Water/Sewer department had requested one new vehicle for around \$20,000. He reported that the Water/Sewer department would be able to replace two vehicles through the EFM lease program for about \$10,000/yr. Mr. Hood advised that he had started the paperwork but it would be subject to Council's approval through the budget. He said that he highly recommended approval because the City would be able to get more bang for its buck with the lease.

Regarding the update with discussion and possible action on budget changes, Ms. Cormier explained that she would go through and point out the changes in the budget since the last budget meeting. She began by saying that the City had received its rerates for dental and life insurance from Principal. She stated that TK Health Insurance would still be going out for bids so the figures shown in this budget would represent the worst case scenario. She noted that the dental rates increased by 3.5% and the life insurance rate increased by 5%. Ms. Cormier pointed out that a diesel fuel line had been added to the Fire Department budget but the total for the two fuel lines remained the same. She noted that a Capital Lease line had been added to the Code Enforcement budget for the Enterprise Fleet Management leased vehicle mentioned earlier. She advised that a Capital Lease line had also been added to General Government for the newly added Administrative vehicle. Ms. Cormier commented that the Vehicle Repair and Maintenance line in the Police Department budget had increased because the EFM leased vehicle would need to be equipped with radios, light bars, etc. She explained that 25% of that equipment fee would be paid outright by the City and the remaining 75% would be rolled into the lease amount. She informed that a Capital Lease line had been added to the Street Department for the EFM leased vehicle. Ms. Cormier advised that she had added \$3,500 in the Hurricane Harvey

Reimbursement lines of General Fund and Water/Sewer Fund to represent the total \$7,000 expected from FEMA for the Direct Administrative Cost (DAC) fee. She noted that this fee was for Michele Andreu's time spent collecting, processing, and submitting data to FEMA. She advised that the Sewer Trunk Line budgeted amount had changed because the City had received a payment and expended those funds since the last budget workshop meeting. She explained that the Water/Sewer Capital Outlay line had been reduced to only \$10,000 for the new Hydro-Ranger. The remainder of the original \$36,000 in that line item had been replaced with the Capital Lease line of about \$10,000. Lastly, she stated that there was currently nothing listed in the Transfer to General Fund line item but that was subject to change as the budget process continued. Ms. Cormier informed that the Garbage Fund information had not been available during the last budget meeting but was available now. She advised that the only thing that had changed from the current year was the amount that would be transferred to the General Fund. She noted that the transfer would be increased by \$15,000. She stated that City crews had been picking up more trash and limbs than ever before, so the increase was justified. Ms. Cormier noted that the General Fund Debt Service was based on preliminary property tax values. She informed that these figures would change once the certified property tax values were received. She stated that the revenue amounts would decrease. She advised that the Debt Service for the Water/Sewer Fund was taken care of because of the Interest & Sinking Fund. She noted that she transferred money each month into the Interest & Sinking Fund to cover the Water/Sewer Debt Service.

Regarding the appointment of a committee to review the City's Manufactured Housing Ordinance, Mayor Runnels appointed Councilman T.W. Permenter and Councilman Dan Mohon. City Administrator Robbie Hood explained that the two council members and Building Official Harry Vine would review the ordinance and make suggestions to the full Council for revisions.

Regarding the discussion and possible action on increasing Water and Sewer rates for Fiscal Year 2020, Mr. Hood advised that water and sewer rates had not increased since 2012. He stated that the proposal was to increase only the base rate by \$2.00. He informed that this increase would generate an additional \$21,000. He noted that the multiplier would not change. On a motion made by Councilman Dan Mohon and seconded by Councilwoman Cynthia Adams, council members unanimously voted to approve the \$2.00 increase on the base rate.

On discussion and possible action on the City of Pinehurst Organizational Chart, Mr. Hood noted that a revised organizational chart had been given to each council member. He reviewed the revised chart aloud with the council members. On a motion made by Councilman John Zerko and seconded by Councilman T.W. Permenter, council members unanimously voted to approve the revised organizational chart.

Under the Announcements, Comments, and Requests from Council section of this agenda, Robbie Hood stated that he met with all department heads earlier in the day regarding the storm in the Gulf. He advised that there would be additional meetings the following day. Police Chief/Emergency Management Coordinator Fred Hanauer informed that personnel were prepared.

Mr. Hood noted that a fence had been erected at the dog park. He stated that Councilwoman Sarah McClendon had some friends who wanted to donate several items for the dog park. He advised that the park would be divided to provide an area for small to medium dogs and another area for larger dogs. He stated that he would like to invite the citizens to name the park. He informed that the top three suggestions would be submitted to the City Council for final approval. Councilman Dan Mohon suggested contacting the Chamber of Commerce and having a ribbon cutting once the park was ready for use.

There being no further business to transact, Mayor Runnels adjourned the meeting at 6:51 p.m.

/s/ Joseph L. Runnels

Mayor

/s/ Debbie Cormier

City Secretary