

**MINUTES**

A regular meeting of the City Council of the City of Pinehurst was held on August 11, 2020 at 6:00p.m. by teleconference via GoToMeeting. The following council members were present: Dan Mohon, T.W. Permenter, Cynthia Adams, J. Michael Shahan, John Zerko, and Sarah McClendon. Having established a quorum, Councilman John Zerko gave the invocation then Dan Perrine of KOGT recited the United States and Texas Pledges of Allegiance. The following business was transacted.

On a motion made by Councilwoman Cynthia Adams and seconded by Councilman J. Michael Shahan, council members unanimously voted to approve the minutes of the Regular Session of July 21, 2020 and the minutes of the Special and Workshop Session of August 6, 2020.

At this time, council members reviewed the budgeted expenditures for June 2020. City Secretary Debbie Cormier began by saying that there were no capital outlays for June 2020. When comparing revenues for June 2020 versus June 2019, Ms. Cormier noted that the General Fund was ahead of the prior year by \$16,437. She advised with Law Enforcement Grants removed from the equation, the revenue increase was actually around \$62,000. She continued by saying that the Garbage Fund was ahead of the prior year by almost \$9,000. Ms. Cormier informed that the Water & Sewer Fund appeared to be ahead of the prior year. She explained with all onetime events such as grant funds, Hurricane Harvey FEMA Reimbursements, and insurance proceeds removed, it was actually behind by about \$13,000. Overall, she stated that total revenues as of June 2020 were ahead of the previous year-to-date figure by \$12,385. When reviewing actual year-to-date revenues versus actual year-to-date expenditures, Ms. Cormier advised that revenues exceeded expenditures in all funds except Water & Sewer Fund, which reflected a deficit of slightly more than \$6,000. Overall, she noted that YTD revenues exceeded YTD expenditures by approximately \$122,000. In summary, Ms. Cormier stated the City had 6.56 months of reserves in May 2020 and dropped slightly to 6.51 months of reserves in June 2020. Council members had no questions or comments about this financial report.

On consideration of ordering a Municipal Election to be held on November 3, 2020 for the purpose of electing one (1) Mayor and two (2) Alderpersons at Large, Ms. Cormier read the Order of Election aloud and in its entirety. She listed all election locations along with dates and times for early voting. On a motion made by Mayor Pro-Tem T.W. Permenter and seconded by Councilman John Zerko, council members unanimously voted to order the Municipal Election to be held on November 3, 2020.

Regarding the discussion and possible action on entering into a Joint Election Agreement Services Contract between the Orange County Elections Administrator and selected political subdivisions of the State of Texas for the purpose of authorizing the Administrator to conduct and supervise the City of Pinehurst's General Election to be held on November 3, 2020, Ms. Cormier advised that this was the same agreement council members had approve in January when the election was originally scheduled for May 2020. On a motion made by Councilman J. Michael Shahan and seconded by Mayor Pro-Tem T.W. Permenter, council members unanimously voted to enter into the Joint Election Agreement.

Regarding the presentation of the Proposed Budget for Fiscal Year 2020-2021, City Administrator Jerry Hood explained that there were no changes to the proposed budget since its introduction and review at the previous council meeting. He noted that this would be a very lean budget that provided for the services that the citizens of Pinehurst expected and deserved. In addition, he stated that the proposed budget did not allow for any capital expenditures or salary increases. Ms. Cormier read the budget statement pointing out that this budget would raise more total property taxes than last year's budget by \$32,275 or 5.438%, and of that amount, \$521 was tax revenue to be raised from new property added to the tax rolls this year. She noted that the budget cover page included the Proposed Tax Rate, the No New Revenue Rate, the Voter Approval Rate, and the total Debt obligation as required by law. She informed that the General Fund was proposed to have a net gain of about \$3,000 with this budget. She advised that the proposed budget was based on a proposed tax rate of \$0.66215 for Maintenance and Operations and a Debt Service rate of \$0.09598 or a total tax rate of \$0.75813. She stated that the Water & Sewer Fund was anticipated to have a net gain of slightly more than \$12,000 and the Garbage Fund was anticipated to have a net gain of almost \$13,000. Ms. Cormier explained that the proposed budget did not allow for any new capital outlays but did cover the existing capital leases and existing obligations regarding previously financed capital equipment. She reported that overall, the proposed budget was a \$3.3 million budget.

Regarding the discussion and possible action on changing the September Regular Council meeting to September 15, 2020, Ms. Cormier explained that the property tax vote could not take place any sooner than 30 days after the proposed budget was filed in her office. She stated that the proposed budget would be filed the following morning, August 12, 2020. She noted that the meeting in September was currently scheduled for the eighth of the month and that would not be 30 days. She recommended changing the date of the September meeting to September 15, 2020. On a motion made by Councilwoman Cynthia Adams and seconded by Councilwoman Sarah McClendon, council members unanimously voted to change the date of the September regular council meeting to September 15, 2020.

Regarding the discussion and action on setting a date for the Proposed Budget hearing and authorization of required public notice, Ms. Cormier read the Budget Hearing Notice aloud and in its entirety. She advised that the budget hearing must be held at least 15 days after the proposed budget is filed with the City Secretary but before the vote on the property tax levy. She informed that the budget hearing could take place at the same meeting as the vote on the tax levy but the vote to approve the budget must be done prior to the tax levy vote. She noted that both the budget vote and the tax vote could be at the same meeting. At this time, Ms. Cormier recommended that Agenda Item 10 be moved up for discussion prior to council members setting a date for the budget hearing.

Mayor Dan Mohon moved Agenda Item 10, Consideration of setting a date for the Proposed Tax Rate Public Hearing and authorization of required public notice. Ms. Cormier reminded council members that the earliest date for the tax rate adoption would be September 11, 2020. She noted that council members had already voted to move the September meeting to September 15, 2020 in order to allow for the required 30 day waiting period from the filing of the proposed budget. She stated since the property tax vote would be on September 15, she recommended that the

budget and property tax hearings and votes be conducted on that date. Ms. Cormier explained that Senate Bill 2 changed many of the rules for the adoption of a tax rate. She noted that the City no longer had to conduct two public hearings. She stated that SB2 required only one public hearing and the property tax vote could take place immediately following the hearing. She advised that she had received an email from the Attorney General's Office stating that Section 26.06a of the property tax code requires an in person public hearing on the property tax rate. Regarding setting the date of the Proposed Budget Hearing and authorization of the required public notice, Mayor Pro-Tem T.W. Permenter made a motion to set the budget hearing and the budget approval vote on September 15, 2020 and authorize the public notice to be published no later than September 5, 2020. Councilman John Zerko seconded the motion and the motion unanimously passed. On consideration of setting a date for the Proposed Tax Rate Public Hearing and authorization of required public notice, Councilwoman Cynthia Adams made a motion to set the Proposed Tax Rate Public Hearing and the Property Tax Rate vote on September 15, 2020 and authorize the public notice to be published no later than September 9, 2020. Councilman John Zerko seconded the motion and the motion unanimously passed.

On consideration of proposing to adopt a total tax rate of \$0.75813 for the 2020 tax year, Councilman J. Michael Shahan made the following motion:

"I move that the proposed property tax rate be increased by the adoption of a tax rate of \$0.75813, which is effectively a 0.05855 or 5.86 percent increase in the tax rate."

Mayor Pro-Tem T.W. Permenter seconded the motion. When polled, all council members voted to propose a total property tax rate of \$0.75813 and the motion unanimously passed.

There were no announcements, comments, or requests from Council.

Under the Citizens Comments section of this agenda, Kathy Smart of Piney Woods Sanitation addressed the Council. Ms. Smart asked that the City consider Piney Woods Sanitation for its solid waste disposal needs. She stated that she would like the opportunity to speak to City officials regarding the services that her company offers. She noted that Piney Woods Sanitation serviced many of the cities in this area and stated that she would be happy to provide references. She advised that her company had a local office in Orange on Dupont Drive. Mayor Mohon suggested that Ms. Smart contact City Administrator Jerry Hood to set an appointment.

There being no further business to transact, Mayor Dan Mohon adjourned the meeting at 6:40p.m.

/s/ Dan Mohon

Mayor

/s/ Debbie Cormier

City Secretary