

MINUTES

A regular meeting of the City Council of the City of Pinehurst was held on August 13, 2019 at 6:00p.m. in the City Hall. A quorum having been established, Mayor Pro Tem Dan Mohon called the meeting to order with the following council members present: John Zerko, T.W. Permenter, Sarah McClendon, and Cynthia Adams. Mayor Joseph L. Runnels was absent. The following business was transacted.

On a motion made by Councilman John Zerko and seconded by Councilman T.W. Permenter, council members unanimously voted to approve the minutes of the Regular Session held on July 9, 2019 and the Special and Workshop Session held on August 1, 2019.

At this time, council members reviewed the budgeted expenditures for June 2019. City Secretary Debbie Cormier commented that there were no capital outlays for this month. She advised that the Income Comparison for the General Fund was virtually unchanged with that fund showing a deficit of approximately \$36,000 when compared to June 2018. She noted that the line item that changed the most was the Hurricane Harvey FEMA Reimbursements and stated that the City had received \$14,436 in June 2018. Ms. Cormier informed that the Garbage Fund revenues were ahead of the prior year by about \$34,000. She advised that the Water & Sewer Fund was behind the previous year by about \$3,000 and again stated that the deficit was due to the almost \$16,000 in Hurricane Harvey FEMA Reimbursements received in June 2018. She noted that overall revenues were running \$5,430 behind the prior year but attributed the shortfall to the aforementioned FEMA reimbursements. She informed that year-to-date revenues exceeded year-to-date expenditures in all funds with an overall net income of approximately \$170,000. Ms. Cormier finished by saying that June reserves were virtually unchanged from May reserves with 6.43 months compared to 6.44 respectively.

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

On consideration of approving Employee Health, Dental, and Life Insurance Plans for fiscal year 2019-2020, Liz McKee of TK Health Insurance addressed the Council. Mrs. McKee stated that TK Health Insurance had gone out for bids on the City's health insurance and were not surprised when other carriers came back higher than TML Health. She noted that the nearest competitor was \$7,500 per month higher. Consequently, she informed that TK Health Insurance recommended staying with TML Health. Mrs. McKee reported that TK Health Insurance had also gone out for bids on the City's dental, vision, and life insurance. She advised that the dental, and vision had been with Principal Life Insurance since 2016. She commented that the life insurance had been with Principal for even longer. She remarked that the City saved \$1,400 the first year that the dental insurance was placed with Principal. She stated that this was the first year that the City's cost had caught up with what it was in 2015 and said that Principal had done an excellent job in holding down the costs. She noted that the vision insurance premiums had never increased. She pointed out that the life insurance premiums had increase slightly through the years due to a change in demographics within the City. Mrs. McKee advised that at first glance, it appeared that Mutual of Omaha would save the City about \$600 this year. She explained that the City would have to move dental, vision, and life insurance to Mutual of Omaha in order to realize the \$600 savings. She stated that Mutual of Omaha appeared to really

want the City's business this year but observed that Principal had built a relationship with the City and had done a fantastic job in holding down costs over the years. Due to that relationship, Mrs. McKee recommended that the City keep its dental, vision, and life insurance coverage with Principal for the coming year. Ms. Cormier echoed Mrs. McKee's recommendation and stated she felt that Mutual of Omaha was providing the City with a "low introductory offer" that would dramatically increase upon renewal. Mayor Pro-Tem Mohon questioned the overall decrease in the TML Health insurance premiums. Ms. Cormier advised that there was a recommended plan change at the meeting on June 20, 2019. She stated, while the proposed health insurance would still be through TML Health, portions of the current coverage would change slightly. On a motion made by Councilwoman Cynthia Adams and seconded by Councilman T.W. Permenter, council members unanimously voted to accept the recommendations of TK Health Insurance representative Liz McKee and keep all insurances with the current carriers.

At this time, Orange County Judge John Gothia addressed the Council. Judge Gothia advised that he took office one day and started working on the budget the next day. He stated that the main focus of the Commissioners Court was currently the budget and that the County would adhere to that budget. He noted that Orange County was proposing to adopt the same tax rate as the previous year. He informed that Economic Development was also a primary focus. He stated that the County was trying to do everything possible to get business to locate to Orange County. Judge Gothia explained that he had gone back and pulled the tax rates since 1958. He noted that the effective tax rate for the County in 1958 was \$1.28. Today, he stated it was \$0.542. He advised as chemical plants began business on Chemical Row, tax rates dropped. He stated as more industry moved into the County, he expected that downward trend in property tax rates to continue. He informed that the County was working on the Coastal Spine, which was the levy project that would run from Rockport, TX to Jefferson County. He stated it would be about a \$5 billion project. He noted that Orange County was being pushed to be responsible for its local share of the project but stated that was not possible because it was a huge amount of money. He explained that the County was pushing the federal and state governments to cover that cost share. Lastly, Judge Gothia advised that the County had received about \$14 million of its \$16 million in FEMA reimbursements.

On consideration of approving an application submitted by Gailen Hood to place a manufactured home on property owned by Robert Sepulvado at 934 – 28th Street, Code Enforcement Officer Harry Vine stated that Mr. Hood had met all of the requirements. A photo of the lot with the approximate placement of the mobile home was shown on the courtroom screen. Mr. Vine advised that Mr. Hood planned to have a metal roof with matching skirting. Mr. Vine stated that he sent out 12 notices to property owners within 200 feet. He stated that he received four consent letters of which, three did not consent and one did consent. He informed that he had a letter from Robert Sepulvado agreeing to sale the property to Mr. Hood, contingent upon Council's approval of the placement of the manufactured home. Mr. Vine recommended approval. On a motion made by Councilwoman Sarah McClendon and seconded by Councilwoman Cynthia Adams, council members unanimously voted to approve the placement of the manufactured home.

Under the Department Head Reports section of this agenda, Water/Wastewater Field Supervisor Charles Spain reported that David Scott obtained his 'C' Wastewater license. Mr. Spain advised

that work had started on the TxCDBG trunk line project from the 33rd Street lift station to the 34th Street lift station.

Public Works Director John Toney reported that crews had been cleaning up the Public Works yard and would be taking the scrap metal to Beaumont. In addition, he stated that the fence was finished at the dog park and the water lines had been installed. City Administrator Robbie Hood noted that he had given each council member a list of the dog park rules. He asked that council members review the list and make any suggestions for additions prior to the signs being made and installed. Mr. Toney continued by saying that his departments had been mowing, slope mowing, patching potholes and working on some drainage issues. Lastly, he advised that the City would be conducting an auction of surplus equipment including a 1991 Ford truck, 1996 backhoe, and 2001 Generac 45Kw generator. He noted that sealed bids would be accepted until 5:00p.m. on August 29, 2019. He stated that all items were sold "as is" and would need to be paid by the third day after the auction ended.

Code Enforcement Officer Harry Vine reported that year to date, 196 permits had been issued for total revenue of \$7,716.25. He advised that the City was still not charging for storm damage repairs. He informed that the 14 abandoned properties that were maintained by the City had been mowed on July 20 and would be mowed again around the end of August. He noted that he had sent out about two dozen high grass letters to area residents. Mr. Vine stated that he had been working closely with Mr. Hood regarding Economic Development along Strickland Drive and MacArthur Drive. He advised that he had also been talking to land owners regarding the possibility of developing subdivisions.

Fire Chief Shon Branham applied for a grant through the Texas Forestry Service for bunker gear. The refrigerator that the fire department received through the inoculation program will be picked up and traded out for another one. The refrigerator needed to be in a climate controlled environment and the current one was too large. He advised that the generator that was also part of the inoculation program would be delivered soon. He reported that there were 52 calls in May, 60 calls in June, and 50 calls in July. Chief Branham displayed a new piece of equipment, a Bariatric Transfer Sheet, acquired by the Pinehurst Volunteer Fire Department. He stated that this equipment was used to help transport and lift large patients.

Police Chief Fred Hanauer reported that he, Lt. Reneau, City Administrator Robbie Hood, and Mayor Runnels attended the Complex Coordinated Terrorist Attack Drill in Beaumont. He stated that this drill dealt with active shooters, bombs, hostage situations and many more scenarios. He noted that every agency in the tri-county area participated in the drill. He commented that along with the police officers, several of the O&M employees participated in the recent training for the large rescue vehicles. He explained that the training included not only the operations but also the maintenance of those vehicles. Lastly, he reported that the July 18 blood drive was so successful that Lifeshare Blood Center had contacted him and asked that the City conduct another blood drive. He advised that the next one would be held in the Council Chambers on September 24.

On consideration of approving a Memorandum of Understanding (MOU) between the City of Pinehurst Police Department and the West Orange-Cove Consolidated Independent School

District Police Department agreeing to handle calls for service when the ISD police officers are not available, Chief Fred Hanauer addressed the Council. He stated that the Council had approved this MOU previously but it was before the ISD police department was formed. He noted that the MOU had been changed and actually simplified since the formation of the ISD department. He stated that the ISD officers would handle calls during school hours but the Pinehurst Police Department would continue to handle calls after hours, holidays, and weekends. On a motion made by Councilman T.W. Permenter and seconded by Councilman John Zerko, council members unanimously voted to approve the MOU.

Regarding the presentation of the Proposed Budget for Fiscal Year 2019-2020 by the City Administrator and City Secretary, Robbie Hood reminded everyone of the previous budget workshops where this budget was discussed at length. He stated that the budget was balanced and included a 3% increase for all full-time employees. He commented that the budget also allowed for an additional holiday, Presidents' Day, which was tentatively approved by council members during those budget workshops. He noted that the proposed budget also included funding for the Fleet Services Lease Agreement and the vehicles previously mentioned. Ms. Cormier informed council members that nothing had changed since the last budget workshop. She said that the budget before them on this night was the same identical budget.

Concerning the discussion and action on setting a date for the Proposed Budget Hearing and authorization of the required public notice, Ms. Cormier read aloud the notice. She proposed that the hearing take place at the regular meeting on September 17, 2019. She explained that the notice needed to be published in the Orange Leader no earlier than the 30th day and no less than the 10th day prior to the vote on the budget. She recommended publication on August 30th. On a motion made by Councilwoman Sarah McClendon and seconded by Councilwoman Cynthia Adams, council members set the date for the budget hearing as September 17, 2019 and authorized publication of the required public notice.

On consideration of proposing to adopt a total tax rate of \$0.71393 for the 2019 tax year, Ms. Cormier noted that she had placed a document containing mandatory wording for the person who made the property tax rate motion. She clarified that council members were not adopting a tax rate on this night but rather proposing to adopt a tax rate. Councilman T.W. Permenter made the following motion:

“I move that the proposed property tax rate be increased by adopting the tax rate of \$0.71393, which is effectively a 0.1118 or 11.18% increase in the tax rate.”

Councilwoman Sarah McClendon seconded the motion and the motion unanimously passed. Ms. Cormier explained that the City was not actually proposing to increase the tax rate. She stated that the 2018-2019 tax rate was \$0.72762 and the 2019-2020 proposed tax rate was \$0.71393. She advised that the City was actually decreasing the tax rate. She noted that the aforementioned statement was required because the proposed rate exceeded the effective tax rate.

On consideration of setting dates for the Proposed Tax Rate Public Hearings and authorization of the required public notice, Ms. Cormier stated that the notice needed to be published on Saturday, August 17 if the first public would be held on August 27. She stated that the notice

must be published at least seven days prior to the hearing. She recommended the first public hearing be held on Tuesday, August 27 at 6:00p.m. and the second public hearing be held on September 10, at 6:00p.m. She advised that the vote on the proposed tax rate could not be held prior to the third day nor after the tenth day after the second public hearing. She recommended that the regular scheduled meeting on September 10 be changed to a Special Session for the second public hearing. She also recommended that the Regular Session be moved to Tuesday, September 17 in order to comply with the property tax rate adoption rules. On a motion made by Councilwoman Cynthia Adams and seconded by Councilman John Zerko, council members unanimously voted to approve all three dates.

On consideration of adopting a Resolution nominating a candidate or candidates for the Board of Directors of the Orange County Appraisal District, Ms. Cormier stated that this was done every other year. She advised that she checked with Chief Appraiser Scott Overton regarding whether the Council could still nominate one of its members and Mr. Overton stated that it could. Councilman T.W. Permenter volunteered to be nominated for the position. On a motion made by Councilwoman Sarah McClendon and seconded by Councilwoman Cynthia Adams, council members unanimously voted to nominate Councilman T.W. Permenter.

On consideration of adopting an Ordinance setting Water and Sewer Rates for FY2019-2020, Ms. Cormier advised that Council actually approved the water and sewer rates at the last meeting. She apologized for not researching this agenda item better and stated that the rates actually must be set by ordinance. She reminded everyone that council members had approved a \$2.00 increase on the water base rate only. She stated that the current base rate of \$8.50 had been increased to \$10.50 on the ordinance. She informed that all other rates on the ordinance remained the same as the existing rates. On a motion made by Councilwoman Sarah McClendon and seconded by Councilman T.W. Permenter, council members unanimously voted to approve the Ordinance setting Water and Sewer Rates for FY2019-2020.

On consideration of adopting a Resolution authorizing the submission of a CDBG Disaster Recovery Program Grant Application to the Texas General Land Office for the Hurricane Harvey DR-4332 Buyouts/Acquisition Projects, City Administrator Robbie Hood stated that this program would allow the City to buyout properties in Pinehurst. He stated that details of the program could be worked out after the application was submitted. City Attorney Tommy Gunn read the Resolution aloud and in its entirety. On a motion made by Councilwoman Sarah McClendon and seconded by Councilman John Zerko, council members unanimously voted to approve the Resolution authorizing the submission.

Under the Announcements, Comments, and Requests from Council section of this agenda, Robbie Hood reminded everyone of the Labor Day Picnic. He noted that Fire Chief Shon Branham and Crystal Wells from the Pinehurst Volunteer Fire Department would be providing the entertainment. He stated that Robert's Steakhouse would be cooking and the LCM Lion's Club would be serving.

Mr. Hood noted that many citizens had received letters regarding Neighborhood Watch Programs and letters regarding insuring water lines and/or gas lines. He advised that none of this

was anything that the City of Pinehurst was endorsing. He suggested if citizens had questions, they should contact the Pinehurst Police Department.

There being no further business to transact, Councilman John Zerko made a motion to adjourn. Councilwoman Cynthia Adams seconded the motion and the motion unanimously passed. Mayor Pro-Tem Mohon adjourned the meeting at 7:38p.m.

/s/ Debbie Cormier
City Secretary

/s/ Dan Mohon
Mayor Pro-Tem