

**MINUTES**

A regular meeting of the City Council of the City of Pinehurst was held on September 12, 2023, at 6:00pm at Pinehurst City Hall Council Room. The following council members were present: Cynthia Adams, Sarah McClendon, J. Michael Shahan, Troy Pierce, and Greg Willis. Councilman Joey Vance was absent. Mayor Sarah McClendon called the meeting to order and established a quorum. Mayor Pro-Tem J. Michael Shahan gave the invocation followed by the reciting of the United States and Texas Pledges of Allegiance, led by Councilman Troy Pierce. The following business was transacted.

On a motion made by Mayor Pro-Tem J. Michael Shahan and seconded by Councilman Troy Pierce, council members unanimously voted to approve the minutes of the Regular Session held on August 8, 2023.

Council members reviewed the budgeted expenditures for July 2023. City Secretary Debbie Cormier began the Financial Report by noting that there was a capital equipment purchase in July. She stated that a sewer camera and accessories had been purchased for the Water/Wastewater department at a cost of \$11,350. When comparing year-to-date revenues from July 2022 versus YTD revenues from July 2023, Ms. Cormier advised that the General Fund revenues for 2023 exceeded 2022 by approximately \$85,000 once all one-time events and grant funds were removed from the equation. She stated that the Garbage Fund YTD revenues for 2023 exceeded 2022 by almost \$60,000. She informed the Council that the Water/Sewer Fund YTD revenues for 2023 exceeded 2022 by approximately \$55,000 with all grant funds removed. She noted that 2022 YTD revenues exceeded 2023 YTD revenues in the Debt Service Fund by slightly more than \$16,000. Overall, Ms. Cormier advised that 2023 YTD revenue exceeded 2022 YTD revenue by approximately \$188,000. When comparing YTD actual revenue versus YTD actual expenditures, Ms. Cormier reported that revenues exceeded expenditures in the General Fund by \$130,098 and in the Garbage Fund by \$62,077. She noted that YTD expenses exceeded revenue by \$4,064 in the Water/Sewer Fund and \$3,474 in the Debt Service Fund. Overall, she stated that revenues exceeded expenditures by slightly more than \$184,000. Ms. Cormier summarized the report by saying from June 2023 to July 2023, General Fund cash decreased while Garbage Fund and Water/Sewer Fund reflected slight increases. Overall, she noted that there were 7.25 months of cash reserves in June 2023 and 7.22 months of cash reserves in July 2023, a slight but virtually unchanged position. Council members had no questions or comments concerning this financial report.

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

Concerning the discussion and possible action to allow Schaumburg & Polk, Inc. to go out to bids on the TDA CDV21-0385 generator project and project update from the Grant Administrator, Susan Stover of Waxman & Associates reminded everyone that this project was for a new generator at the wastewater plant and all new electrical components associated with the generator at the water plant. Mrs. Stover explained that the plan was to advertise for bids in October and open bids in early November 2023. She noted that was about four months ahead of the original project schedule. She stated that environmental clearance had already been obtained. She reported that everyone had hoped to be able to utilize Region 5 Purchasing Co-op in order to purchase the

generator locally. She advised after research, it was determined that Region 5 did not meet the regulations for procurement as required by the Texas Department of Agriculture. Mrs. Stover informed council members that it was her job to protect the City and stated that if we had gone that route, there was a chance that all the funds would have to be refunded to the TDA. She noted that the city should be able to award the bid for this project at its November meeting. Councilman Willis asked if the city would be required to accept the lowest bid. Mrs. Stover advised that would be required unless the city could document a previous personal problem with the low bidder.

Agenda Item 12 was moved to this point. Regarding the discussion and possible action to approve Tiny Village, City Administrator Jerry Hood stated that the developers were present at this meeting to give an update and get approval from the Council to proceed with development. Mr. Hood advised that the Orange County Drainage District had approved the project earlier this day. He informed council members that the developers were in the process of building a model home on the property. Council members were invited to view the model. Mr. Hood showed photos of the tiny homes and gave dimensions and specs of the homes as well as the space between the homes. The developer informed that a tiny home could be built from beginning to end in ten days. Mr. Hood reminded council members that there would be a property manager on-site and that tenants would be strictly vetted. He stated that there would be two stocked retention ponds in the middle of the development with a walking track around the ponds. On a motion made by Councilman Troy Pierce and seconded by Councilwoman Cynthia Adams, council members unanimously voted to approve the development of Tiny Village.

City Administrator Jerry Hood reported that crews had been digging ditches on 41<sup>st</sup> Street and would soon be starting on Whippoorwill.

Mr. Hood reported that there had been numerous water leaks due to the drought and the ground shifting. He noted that the city had increased the flushing of hydrants to mitigate the brown water situation.

Mr. Hood reported that Code Enforcement Officer Leonard Roff was setting up a meeting with the Phelan Investment Group. He stated that he would like the mayor and mayor pro-tem as well as a representative from the Orange County Economic Development Corporation to attend the meeting.

Mr. Hood reported that five or six supervisory personnel attended a supervisory training session hosted by the City of Vidor and presented by Texas Municipal League.

Mr. Hood reported that a grant opportunity through the US Department of Agriculture had become available. He noted that the application had to be submitted by the end of October. He stated that it was a fire department grant with a cost share but due to our small size, that cost share could be waived. He noted that it was a significant amount of money and the department could potentially get a brush truck with these funds.

Mr. Hood reported that the city had submitted an application for the TxCDBG 23-24 grant cycle. He advised, if received, this grant would be used for pipe bursting on 41<sup>st</sup> Street. He noted that the city had not been approved during the first round but stated that we were next in line for the second round.

Mr. Hood reported that Rick's Steakhouse would soon be coming to the former Dylan's Steakhouse location on Strickland Drive. He noted that the owners had another location in Baytown. He stated the projected opening would be in November.

Mr. Hood reported that the lease on the patrol truck was about to end. He noted that the lease program for the Water/Sewer/Street trucks was beneficial to the city but the four-year lease of the patrol unit was not because there was not enough equity left in that vehicle. He advised that the unit would need to be replaced but stated that he would rather try to find a financing option that would be more beneficial.

At this time, City Attorney Tommy Gunn recommended that council members redirect their attention to Agenda Item 5 since no vote was taken during the earlier discussion. On a motion made by Mayor Pro-Tem J. Michael Shahan and seconded by Councilman Greg Willis, council members unanimously voted to allow Schaumburg & Polk, Inc. to go out to bids on the TDA CDV21-0385 generator project.

Regarding the public hearing on the proposed budget for fiscal year October 1, 2023 through September 30, 2024, Mayor Sarah McClendon opened the public hearing at 6:30pm. City Secretary Debbie Cormier advised that this was the same exact budget that was proposed on August 1, 2023. She noted that absolutely nothing had changed. She informed council members that the General Fund was expected to have slightly more than \$8,000 gain with this proposed budget. She stated that the Water/Sewer Fund was expecting a gain of about \$10,000 and the Garbage Fund reflected a gain of \$57,500. Ms. Cormier advised that the proposed budget included a 3% increase for all full-time employees. She noted that the proposed property tax rate included in this budget was \$0.673996. Council members had no questions. There being no further comments, Mayor McClendon closed the public hearing.

On consideration of ratifying the property tax increase reflected in the 2023-2024 proposed budget, Ms. Cormier noted that this vote was required because the budget would raise more total property tax revenue than last year's budget. On a record vote, all council members, including the mayor, voted affirmatively.

On consideration of adopting the proposed budget for fiscal year October 1, 2023 through September 30, 2024, a record vote was taken and all members, including the mayor, voted affirmatively.

Regarding the public hearing on the proposed ad valorem tax rate for the 2023 tax year, Mayor Sarah McClendon opened a public hearing at 6:38pm. Ms. Cormier called attention to the property tax calculation worksheet included in the council packets. She noted that the actual proposed tax rate was slightly more than two cents less than the current year's property tax rate. She stated that the city would receive more revenue but that was due to increased property tax values rather than an increased tax rate. There being no further comments, Mayor McClendon closed the public hearing at 6:40pm.

On consideration of adopting an Ordinance setting the total property tax rate at \$0.673996/\$100 value for tax year 2023, City Attorney Tommy Gunn read the ordinance aloud and in its entirety. Mr. Gunn noted that the proposed property tax rate was comprised of two separate components; the Maintenance & Operations rate \$0.607246 and, Debt Service rate \$0.066750  
TOTAL \$0.673996

Councilman Greg Willis made the following motion:

“I move that the property tax rate be increased by the adoption of a tax rate of \$0.673996, which is effectively a 10.99% increase in the tax rate.”

Mayor Pro-Tem J. Michael Shahan seconded the motion. A record vote was taken and all council members, including the mayor, voted affirmatively.

Regarding the discussion and possible action to approve adding the inmate enclosure from the 2017 Ford Expedition police unit to the surplus equipment auction list that was approved in July 2023, City Administrator Jerry Hood reminded council members of their prior approval of the original list. He advised that the inmate enclosure was removed from the former police unit that was transferred to the fire department. On a motion made by Councilwoman Cynthia Adams and seconded by Councilman Greg Willis, council members unanimously voted to add the enclosure to the surplus equipment auction list.

On consideration of approving a Resolution renewing the Line of Credit with First Financial Bank, Ms. Cormier pointed out the only difference in this resolution versus the prior year. She stated that the cost for the line of credit would be Wall Street Prime Rate which was currently 8.5% fixed rate for one year. She noted that the rate had increased from 5.5%. City Attorney Tommy Gunn read the resolution aloud and in its entirety. On a motion made by Mayor Pro-Tem J. Michael Shahan and seconded by Councilman Troy Pierce, council members unanimously voted to approve the Resolution renewing the Line of Credit with First Financial Bank.

Regarding the discussion and possible action to approve a contract with the Pinehurst Police Officers Association, City Administrator Jerry Hood stated that he and Councilman Willis and Councilman Pierce had met with the association. He advised that there were no changes, other than the 3% across the board increase. On a motion made by Councilwoman Cynthia Adams and seconded by Councilman Troy Pierce, council members unanimously voted to approve the contract with the Pinehurst Police Officers Association.

Under the Announcements, Comments and Requests from the Council, Councilman Greg Willis commended Ms. Cormier for her work on the budget. Mayor Pro-Tem Shahan requested an update on McDonalds, the old Conns building, and HEB. Mr. Hood advised that McDonald’s was on hold due to the death of the franchisee. Regarding the Conns building, he again noted that Code Enforcement Officer Leonard Roff was setting up a meeting with Phelan Investments. Mr. Hood stated that there was nothing new regarding the HEB.

There being no further business to discuss, Mayor McClendon adjourned the meeting at 6:55pm.

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Mayor

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City Secretary