

MINUTES

A regular meeting of the City Council of the City of Pinehurst was held on August 5, 2024, at 8:35a.m. at Pinehurst City Hall Council Room. The following council members were present: Cynthia Adams, Troy Pierce, Joey Vance, and Greg Willis. Mayor Sarah McClendon and Mayor Pro-Tem J. Michael Shahan were absent. In the absence of the Mayor and Mayor Pro-Tem, Councilwoman Cynthia Adams presided over this meeting. She called the meeting to order and established a quorum. Councilman Greg Willis 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 consideration of approving Employee Health, Dental, and Life Insurance plans for the fiscal year 2024-2025, Liz McKee of TK Health Insurance presented the quotes that she received. Mrs. McKee advised that she had received quotes for medical insurance from Blue Cross and United Healthcare. She called attention to the handout that was included in council members' packets. She stated that neither of those companies were close to the re-rate amounts given by the city's current carrier, Texas Health Benefits Pool. Regarding the city's group term life insurance rates, Mrs. McKee noted that she had two companies that declined to quote because they could not compete with the city's current carrier, Principal Life Insurance. She informed council members that the Blue Cross quote for life insurance came in lower than the current carrier; however, she stated that quote was contingent upon the city moving the medical insurance also. She again noted that the Blue Cross rate for medical was much higher than the current rate. Regarding dental insurance, she advised that Mutual of Omaha matched the city's current rate. However, she noted that the city had a long-term relationship with Principal Life Insurance and that they had been very good at keeping rates down over the years. Again, she advised that several companies declined to quote because they could not compete with Principal's rates. Mrs. McKee informed council members that there was no change in the vision insurance, which was 100% employee paid. She recommended that the city remain with all its current insurance carriers. City Secretary Debbie Cormier commented on the Mutual of Omaha matching rate for dental insurance. She stated that it was a "low introductory offer" that insurance companies used to gain new business. She said that the low rate would very likely increase substantially in the next fiscal year. Mrs. McKee agreed with Ms. Cormier's assessment. On a motion made by Councilman Greg Willis and seconded by Councilman Troy Pierce, council members unanimously voted to remain with all the current insurance carriers.

Regarding the presentation of 2024 Property Tax Documents as received from the Orange County Tax Assessor-Collector (OCTAC) and required by Property Tax Code Section 25.04, Ms. Cormier reviewed the Certified Totals for 2024, the 2024 Tax Rate Calculation Worksheets from the OCTAC, and the 2024 Tax Rate Calculation Worksheets as calculated by City Secretary Debbie Cormier. Ms. Cormier noted that the worksheets from the OCTAC and her worksheets were identical, with the exception of the 6th decimal place of the Voter Approval Tax Rate, which was off by 0.000001. Ms. Cormier said that she had performed the calculation, and it made a difference in the total tax revenue of only \$1.21. Presiding Councilwoman Cynthia Adams acknowledged that the 2024 Property Tax Documents were received and reviewed by the members of the Pinehurst City Council.

Regarding the presentation of the Proposed Budget for fiscal year 2024-2025, Ms. Cormier reviewed the proposed budget with council members. She pointed out highlights and increases/decreases in each department's total budget. She gave the reasons for the increases/decreases. She noted that the total proposed budget, excluding grants, was slightly less than \$3.68 million. She stated the current budget total was about \$3.64 million. Ms. Cormier reviewed the city's debt payments due in FY2024-2025 and sources of income that would be used to pay the debt. In addition, she reviewed the salary adjustments included in the salary and benefits pages of this budget. City Administrator Jerry Hood directed council members' attention to an additional salary adjustment handout that he gave council members at the beginning of this meeting. He reviewed the document with council members. He stated that most employees got an adjustment and those who did not get an adjustment were justifiable. He advised that those that were working hard were getting an adjustment and those that were not, would not receive an adjustment. He also reviewed adjustments that would be decreasing due to new or different personnel. Upon taking a record vote, the following council members voted to consider the proposed budget as presented:

Councilwoman Cynthia Adams, Councilman Joey Vance, Councilman Troy Pierce, Councilman Greg Willis.

On consideration of proposing to adopt a total tax rate of \$0.696965 for the 2024 tax year, City Secretary Debbie Cormier advised that she put this agenda item after the budget review so that council members would know that it takes this tax rate to accomplish all of the city's goals for the year and to balance the FY24-25 budget. Councilman Troy Pierce made the following motion:

"I move that the PROPOSED property tax rate be increase by considering the adoption of a tax rate of \$0.696965, which is effectively a 7.86 percent increase in the tax rate."

Councilman Joey Vance seconded the motion and council members unanimously voted to approve the proposal to adopt a total tax rate of \$0.69695 for the 2024 tax year.

On consideration of setting dates for required public hearings, Ms. Cormier stated that the Council must wait at least 30 days from this meeting before they could vote to approve the budget. She stated that the budget must be adopted before the tax rate. Consequently, she recommended having both hearings and adopting the budget and the property tax rate at the regular scheduled meeting on September 10, 2024. Councilman Greg Willis made a motion to set the date for the Proposed Budget Public Hearing and the vote to adopt the FY 2024-2025 budget on September 10, 2024. Councilman Joey Vance seconded the motion and the motion unanimously passed. Councilman Greg Willis made a motion to set the date for the Proposed Tax Rate Public Hearing and the vote to adopt the 2024 Property Tax Rate on September 10, 2024. Councilman Troy Pierce seconded the motion and the motion unanimously passed.

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

There being no further business to transact, Presiding Councilwoman Cynthia Adams adjourned this meeting at 9:37a.m.


City Secretary


Mayor